

Speculation Abounds on How Clinton Will Testify

Even the First Lady May Not Know Details; Advisers Soften on Starr

By Bob Woodward
Washington Post Service

WASHINGTON — President Bill Clinton's lawyers believe he has decided to change his story about his relationship with Monica Lewinsky and will testify this week that he and the former White House intern engaged in sexual activity, but he will not admit to perjury, according to a person who has spoken with the president and his legal team.

As he prepares for the questioning Monday by the independent counsel,

Clinton's legal pitfalls. • Testimony in historic room. Page 3.

Kenneth Starr, this person said, the president must confront a painful obstacle: how to explain his behavior to his wife, Hillary Rodham Clinton, and their daughter, Chelsea.

"He has not prepared the family," this person said Friday, anticipating an agonizing weekend for the Clintons.

"He has got a lot of work to do with the family."

The first lady, whose steadfast defense of her husband in January set the tone for his political revival at a moment of peril, is aware that there is a significant problem with Mr. Clinton's January testimony in the Paula Jones case and his public denials of a sexual relationship, but she is not fully aware of the details. "She knows but she doesn't know," the person said.

Presidential advisers cautioned that Mr. Clinton could change his mind before giving testimony, that he is a man given to taking advice right up until the final moment and then altering strategy. But even if he goes ahead with the decision to admit to some kind of sexual activity with Ms. Lewinsky, his testimony remains perilous, both legally and politically.

The president and his lawyers hope that Mr. Starr would accept a presidential recantation magnanimously, according to this person, but Mr. Clinton understands he cannot appear evasive in his closed-circuit television ap-

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WE WILL NOT LET THESE PEOPLE WRECK THE FUTURE



A soldier guarding the devastated shopping district of Omagh on Sunday, a day after a car bomb killed 28 people and wounded more than 200.

Britain and Ireland Pledge To Avenge Ulster Bombing

Compiled by Our Staff From Dispatches

OMAGH, Northern Ireland — Prime Minister Tony Blair of Britain and his counterpart in Ireland, Bertie Ahern, vowed Sunday to apprehend those responsible for a devastating terrorist bomb here that killed 28 people and wounded more than 200.

"We have agreed the two governments will work together and will do everything possible in their power to hunt down those responsible for this outrage," Mr. Blair said, standing alongside Mr. Ahern.

The police suspect the car bomb Saturday afternoon had been planted by IRA dissidents determined to shatter Northern Ireland's fledgling peace accord, the province's police chief said Sunday.

"We will not let these people wreck the future," Mr. Blair declared in Belfast. "The future belongs to the decent people of Northern Ireland. It does not belong to the criminals and psychopaths."

The blast in Omagh, a religiously mixed town west of Belfast, came less than three months after voters in both parts of Ireland overwhelmingly approved plans for a new Northern Ireland government with power shared between its majority Protestants and minority Roman Catholics.

It was the single worst terrorist incident in the 30-year history of sectarian warfare in the British province.

There was no claim of responsibility for the attack.

But police officers investigating the bombing were focusing on a dissident Republican group calling itself the Real IRA, which has emerged in the last year.

The main wing of the Irish Republican Army backed the new peace agreement, but there remain platoons of self-styled "hard men" who chose to go on killing.

Seamus Mallon, the deputy first minister of Northern Ireland, said the bombing would lead to a police crackdown on such individuals.

Northern Ireland's moderate Catholic leader, John Hume, said "undiluted fascists" were responsible. "Obviously they're trying to impose their will by murder on the people of Ireland, north and south," he said.

Gerry Adams, leader of the IRA's political wing, Sinn Féin, also condemned the attack.

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Deadliest Attack of 29-Year Conflict

By James F. Clarity
New York Times Service

OMAGH, Northern Ireland — Brenda Logue, described as an ordinary teenager full of laughter and hope, died abruptly at about 3:10 P.M. on Saturday, her blood spilling on the pavement of Market Street, as she became one of the 28 people killed and more than 200 injured by a 500-pound car bomb.

The attack was the deadliest terrorist atrocity in 29 years of sectarian violence in this British province. The bombing, at

the height of the shopping day, stunned Omagh, which is mostly Roman Catholic, and the rest of this predominantly Protestant province.

On Sunday afternoon, dozens of people still sat blank-faced, many weeping, at a community center operation set up to find people still missing.

"One day I was watching the bombs against America in Africa," said Michael MacAnespie, a 54-year-old mushroom farmer. "We thought all that was behind us here. But suddenly it's back on your own doorstep."

No group has claimed responsibility for the attack, but police and political leaders, both Protestant and Catholic, said that the atrocity was the work of a group calling itself the Real IRA that has splintered from the overwhelmingly Catholic Irish Republican Army. The IRA, itself has been observing a ceasefire for 13 months.

Both Catholics, who comprise 70 percent of the population of the town, and Protestants were killed in the blast.

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2 Sides in Congo Prepare to Fight for Capital

By Howard French
New York Times Service

KINSHASA, Congo — After several days of relative quiet in their brief war, both the government and rebel forces here began furious preparations Sunday for what each side expects to be a critical fight for control of Kinshasa, the country's capital.

The rebels, who independent witnesses said were already firmly in control of the strategic western port city of Matadi and the nearby huge dam, have reportedly cut off fuel and most food supplies to the capital and were massing about 240 kilometers (150 miles) west of Kinshasa.

Vowing a fight to the end, despite a string of major reverses, meanwhile, the government of President Laurent Kabila, said that it had rushed about 8,000 recently trained troops from a southern military base toward Kinshasa, where large amounts of weapons have also been steadily arriving.

In a last-minute gambit to shore up his positions, Mr. Kabila flew Sunday to Luanda, the Angolan capital, for meetings with that country's president, Jose Eduardo dos Santos, in which he was expected to plea for heavy direct support against the insurgency.

The Congolese president was expected to return to Kinshasa late Sunday after his meetings in Angola, and a heavy security presence could be seen all along the route he would take from the airport.

Mr. Kabila has spent the last several days in Lubumbashi, capital of his native southern Katanga region. With the rebels known to be advancing, his absence from Kinshasa was seen by many as a sign of imminent defeat, at least here.

The question of Angola's position in the war, which pits Congolese mutineers backed by experienced Rwandan military planners and generous logistic support against a disorganized and poorly trained, if larger, government army, has been seen as

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People's Verdict: Enough

Americans Have Already Decided, Pollsters Say

By Dan Balz
Washington Post Service

WASHINGTON — On the eve of President Bill Clinton's testimony in the Monica Lewinsky investigation, the American people have delivered a clear message to the scandal-obsessed city of Washington: Get this mess behind us.

Bombarded by round-the-clock coverage and polled from every angle, Americans already have come to firm conclusions about the Lewinsky matter that pollsters say only a bombshell revelation is likely to change. They believe the president had sex with the former White House intern, they think he has lied about it and they still approve of the job he's doing running the country.

"They are more apt to judge the president as probably guilty and more likely, ironically, to think the Clinton presidency should not end as a result of his probable guilt," said Andrew Kohut, director of the Pew Research Center, whose most recent poll was taken last week.

Still, the president has suffered significant personal damage — a "character gap," as one analyst describes it — as a result of the Lewinsky investigation, according to numerous measures of public opinion, and he faces the prospect that his presidential legacy will be shaped as much by this and other scandals that have plagued his administration as by what he has done in office.

In the latest Pew survey, 70 percent of those questioned said Mr. Clinton probably or definitely had a sexual relationship with Ms. Lewinsky, and 66 percent said he probably lied about it in

his January deposition in the Paula Jones case. Seven months ago, 52 percent said they believed Mr. Clinton and Ms. Lewinsky had a sexual relationship, and 49 percent said they thought Mr. Clinton had lied about it under oath.

But the most recent round of polls that have cascaded forth in the days before Mr. Clinton's grand jury testimony underscored how little the scandal has tarnished his approval rating. The Pew survey pegged it at 63 percent; Gallup said last week it was 64 percent; Newsweek, in a poll released over the weekend, found it at 59 percent.

Public interest in the scandal peaked in January and has not been rekindled either by the immunity deal that led to Ms. Lewinsky's appearance before the grand jury 10 days ago or the relentless media attention surrounding Mr. Clinton's testimony Monday at the White House.

"Once they're satisfied they know what happened, and think they know all the facts they need to know, they don't want to hear about it, and we passed that a long time ago," said a Republican pollster, Robert Teeter. "I really don't know anybody who is interested in this story anymore."

The question White House advisers, elected politicians and party strategists are weighing this weekend is whether

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AGENDA

When It Comes to Asia's Woes, Economists Can't Agree on Much

Are Asia's economic problems nearing an end or have they just begun? Two widely divergent views are emerging about what shape a new Asia will take. • Russia says its financial situation is under control as it tries to reassure investors amid growing speculation that the government will have to devalue the ruble to meet its obligations. • Despite the daily expressions of global concern about financial instability in emerging markets, the distress in many of the developing countries and in Japan is a windfall for the United States and for Germany, as well as for some other European nations. Page 11.

White House Weighs Tobacco Suit

Stung by the collapse of anti-smoking legislation, the White House is considering filing a lawsuit against tobacco companies on behalf of the government's Medicare program. White House officials are said to favor a Medicare lawsuit if they can overcome concerns among some administration attorneys, primarily within the Justice Department, about its chances of success. Their argument may have been boosted Friday by a court ruling that weakened tobacco regulation. Page 3.

Schumacher Wins in Hungary

Michael Schumacher won the Hungarian Grand Prix Sunday and closed the gap with Mika Hakkinen in the Formula One championship. Schumacher took the lead nearly two-thirds of the way through the 77-lap race. His fifth victory of the season gave him 10 points and left him trailing Hakkinen by only seven points with four races left in the championship. Page 18.



PULLING OUT — A Yugoslav tank gunner giving a nationalist victory sign as his unit left Junik on Sunday after seizing the border community from ethnic Albanians. Page 5.

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From Defector, an Inside Look at Iraqi Drive to Get Nuclear Bomb

By Judith Miller and James Risen
New York Times Service

NEW YORK — An Iraqi scientist who defected to the United States has publicly described for the first time the inner workings of Iraq's three-decade effort to build a nuclear bomb.

The scientist, Khidir Abdul Abbas Hamza, said that before he fled Iraq in 1994 he helped train a cadre of young scientists who, working with more senior scientists involved in other projects, would be capable of quickly resuming Iraq's atomic weapons program if the United Nations cuts back on its inspections and, ultimately, lifts economic sanctions.

Mr. Hamza is the highest-ranking scientist ever to defect from Baghdad, and his comments, in nearly 10 hours of interviews, come as a new confrontation is building over whether Baghdad has dismantled its chemical, nuclear and biological programs. Iraq has in recent days refused to cooperate further with UN weapons inspectors.

In the interviews, Mr. Hamza, 59, whose defection was an important intelligence coup for the United States that nearly slipped through American fingers because of the CIA's inattention, drew a chilling picture of life as an Iraqi scientist. He said his colleagues were lavishly rewarded for their successes and tortured by the secret police when they failed to deliver.

He said Iraq's nuclear weapons program was personally directed by Saddam Hussein, Iraq's leader, since its inception 27 years ago. It was abetted, he said, by a host of Western companies, which sold Iraq sophisticated equipment as they "winked and laughed" at patently false cover stories.

On the eve of the Gulf War in 1991, Mr. Hamza said, Iraq had completed all the research and testing needed for an atomic weapon and was feverishly trying to make at least one crude bomb using uranium from civilian reactors. This effort, Mr. Hamza said, could have produced a bomb in a few months, but it was disrupted by the allied bombing campaign.

Only after the war did U.S. intelligence officials learn that they had grossly underestimated Iraq's nuclear program, which they had believed to be 10 years from producing a nuclear bomb. But Mr. Hamza's defection to the United States and his subsequent debriefing by the CIA brought fresh details to light, including these:

• Iraq's peaceful nuclear power program, begun 30 years ago, was quickly turned into a cover for the secret bomb program, which went ahead even

as Baghdad opened up its research reactors to Western inspection.

• Israel's intensive campaign in the 1970s and '80s to stop Iraq from acquiring a bomb accomplished little. The 1981 Israeli bombing raid that destroyed Iraq's French-built Osirak nuclear reactor prompted Mr. Saddam to drop the pretense of a peaceful atomic effort and to go "full steam" on a covert program to build a bomb.

• Iraq took advantage of America's open access to valuable scientific information. Mr. Hamza said that as a senior member of Iraq's nuclear program, he spent time at American university libraries studying the latest scientific journals and technical accounts of America's nuclear efforts.

Mr. Hamza said he was speaking out now because

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Newstand Prices	
Bahrain	1,000 BD
Cyprus	€ 1.00
Denmark	14.00 DKr
Finland	12.00 FM
Gibraltar	€ 0.85
Great Britain	€ 0.90
Egypt	£ 5.50
Jordan	1,250 JD
Kuwait	700 Fils
Malta	55 c
Nigeria	12500 Naira
Oman	1,250 QR
Qatar	10.00 QR
Republic of Ireland	IR £ 1.00
Saudi Arabia	10 SR
S. Africa	R12 + VAT
U.A.E.	10.00 DH
U.S. (incl. Postage)	\$1.20
Zimbabwe	2m \$40.00

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A Cold War Curse / No Money for Cleanup

Russia Is Unable to Rid Itself of Rotting Chemical Weapons

By David Hoffman
Washington Post Service

Leonidovka, Russia — In a verdant pine forest sprinkled with birch trees, the lush growth suddenly disappears. Underbrush gives way to a black ulcer on the earth. In the clearing nothing grows, not even grass.

Vladimir Pankratov, a gray-haired former Soviet military man who is now an environmentalist, kicked at the ground on the edge of the dark clearing in the woods. He kicked again and again. He poked a stick into the soil — and pried up the nose cone of an aerial bomb.

This hole in the middle of a Russian forest is an uncharted chemical weapons graveyard. Buried here are vintage World War II aerial bombs, filled with a mixture of deadly lewisite, a blistering poison gas, and yperite, a sulfuric mustard gas.

These abandoned bombs are a visible symbol of Russia's chemical weapons nightmare. Russia has more chemical bombs than any country, and it cannot get rid of them, or even find them all. More than 36,000 metric tons of chemical weapons are stored in officially declared military depots. But thousands of other bombs lie in abandoned and uncharted weapons dumps, like this one. The Russian military, which created these undeclared dumps decades ago, still denies they exist.

Entombed in the forest here by Soviet soldiers in the early 1960s and then forgotten, the bombs are coming back to haunt the environment of Russia. Preliminary tests by a team of experts working with Mr. Pankratov have found heavy concentrations of arsenic in the soil. Lewisite is 36 percent arsenic. The black, sandy scars on the forest floor give off a powerful metallic odor.

Moreover, the poison is spreading in an area where hundreds of thousands of people live. Water and soil tests by Mr. Pankratov's team show that arsenic is turning up in higher concentrations than normal 4 kilometers (2.5 miles) away in bottom sediments of tributaries feeding the Sursk Reservoir. The reservoir provides drinking water for Penza, the nearby provincial capital, with a population of 530,000.

Penza, 560 kilometers southeast of Moscow, is located in the rich black-earth farming belt of southern Russia, part of the Volga River basin, which was home to much of the Soviet chemical warfare industry.

Arsenic is extremely toxic. In acute poisoning, violent stomach and intestinal inflammation and bleeding lead to massive losses of fluid and electrolytes, causing collapse, shock and death. Long-term low-level exposure can lead to other ailments, including cancer.

Not on any map, protected only by one distant sign warning people to keep out, the chemical weapons graveyard is a small glimpse of what is becoming a painful torment for Russia: the legacy of chemical and nuclear weapons production during the Cold War.

Across Russia's steppes and Siberian taiga, and into the seas from the Baltic to the Pacific, the Soviet Union and later Russia have dumped, buried, spilled and exploded chemical and nuclear substances. They were the ingredients or byproducts of weapons of mass destruction. They were the wastes of the Cold War. Now they continue to damage the land and people.

Although the Soviet Union has collapsed, a full accounting of the contamination it loosed on the environment has never been made. For most



Vladimir Pankratov, a Russian environmentalist, poking at part of a chemical weapons bomb buried at an unmarked dump in a forest near Leonidovka.

of the Cold War, the Soviet Union kept the sources of this pollution — the arsenals and bomb factories — shielded by the strictest secrecy. Little is known even now about the clandestine dumping and destruction of chemical weapons and radioactive materials. Moreover, little is being done about it, despite the health risks. In some cases, the authorities simply deny a threat exists and continue to stamp the files "top secret."

"This place has been abandoned," said Mr. Pankratov, surveying the chemical weapons graveyard, which lies less than 2 kilometers from one of the declared depots where nerve gas is stored. "No one is responsible for it. This information about old destruction sites hasn't been opened, it's still classified and we are talking about it now because we have to face the obvious. We are talking about a dangerous contamination of the soil."

The contamination may become an enormous economic burden on such a poor country. Russia simply cannot afford to clean up the poisons left behind by 50 years of dumping and discharge by the military and its bomb-making industry. The pollution is a health hazard, causing an increased incidence of cancer and other diseases for which

no one wants to take responsibility, especially the beleaguered Russian military.

After an initial surge of citizen activism at the end of the Soviet period, Russians today are more focused on economic survival, sometimes desperately.

"People are indifferent," said Vladimir Verzhbovsky, a journalist in Penza. "Those who try to rouse public opinion are treated as clowns and not taken seriously. Life is so hard. Salaries haven't been paid, in some cases for years. And people think, how are they going to feed the children? People are aware they are living on a powder keg. But their current interests are different."

THE SMALL VILLAGE of Leonidovka sits at a crossroads of two huge problems, both inherited from the Soviet era.

One is that Russia has the world's largest supply of chemical weapons, which it promised by treaty to liquidate but now cannot afford to.

The other problem is that, before the collapse of the Soviet Union in 1991, tons of chemical weapons were discarded by the military and forgotten, and they are now an ecological threat. No one knows where they are, or how much of

the deadly poisons are leaching into the air, water and soil.

Leonidovka is near one of the uncharted chemical weapons dumps, hidden in the nearby forest. The village also sits next to a walled military base that is an official depot for thousands of tons of still-active chemical bombs.

Of the 36,000 tons of chemical weapons Russia has formally declared, the stockpile consists of 29,000 tons of nerve gases — sarin, soman and VX — and 7,000 tons of lewisite, mustard gas and mixtures of those compounds. They are stored in seven depots, including Leonidovka.

Behind the high walls of the arsenal here are 6,800 metric tons of VX, sarin and soman gases packed into aviation bombs.

These are known as nerve agents because they attack the nervous system after inhalation or contact with the skin. They can kill within minutes at very low doses. The agent sarin was used in the Aum Shinrikyo cult's terrorist attack on the Tokyo subway system in 1995, which killed 12 people and injured thousands.

At Leonidovka alone, there is more than enough nerve gas, if distributed by individual doses, to kill every human being on the planet.

Residents are uneasy. "People feel concerned, there is no denying it," said Irina Molchanova, a deputy principal. She asked a visitor, "Do you think we are living on a powder keg?"

THE SOVIET MILITARY commissioned a plant in the city of Chapayevsk, in the Volga region, for destroying chemical weapons, but objections from citizens stymied the project before it ever went into full-scale operation. As a result, President Boris Yeltsin decided in 1992 that the chemical weapons should be destroyed in the seven cities where they are stored.

Of the stockpile, 17.2 percent is at Leonidovka, in the Penza region; 13.6 percent at Shchuchyok, in the Kurgan region; 18.8 percent at Pochept, in Bryansk; 17.4 percent at Maradykovskiy, in Kirov; and 14.2 percent at Kizner, in Udmurtia. These five places hold nerve agents packed inside ordnance.

But at two other places — Gorniy, in the Saratov region, and Kambarka, in Udmurtia — older chemical weapons, such as lewisite and sulfur mustard gas, are stored in giant vats, some nearly 50 years old.

But many chemical weapons are decaying in unmarked graveyards like the one in the woods near Leonidovka. Lev Fedorov, president of the Union of Chemical Safety, a citizens network, has estimated that the Soviet authorities dumped 450,000 tons of chemical weapons in three periods between the end of World War II and the late 1980s.

During World War II, the small town of Gorniy in the Saratov region mined oil shale for the war effort. When the mines were depleted on the bleak steppe, 800 kilometers southeast of Moscow, a secret warehouse was opened. The storehouse is still there — filled with the oldest of Russia's chemical weapons. It holds 204 tons of lewisite, 626 tons of mustard gas and 190 tons of mixtures. Most of the toxic materials are contained in steel vats with walls less than 1.3 centimeters (a half-inch) thick, which hold 54 tons each.

General Stanislav Petrov, commander of radiation, chemical and biological defense troops, said these vats, filled in 1953, are the most risky and ought to be the first to be destroyed.

Protest Mars South Korea Amnesty for Dissidents

By Don Kirk
International Herald Tribune

SEOUL — The criminal record of the Korean poet and labor activist Park No Hae reads like a personal history of South Korea's transition from dictatorship to democracy.

In the first few months after his arrest in 1991, Mr. Park said Sunday, he was "tortured and beaten like an animal," until finally he was sentenced to death for violating the national security law through his activities as a radical labor leader. Next, the death sentence was commuted to life imprisonment.

"Then, somehow, it was shortened to seven and a half years," he said, and he walked out of jail in the southeastern city of Kyongju a free man Saturday.

Mr. Park was perhaps the best known of 103 "prisoners of conscience" who received amnesty Saturday, the South Korean national day, marking both the 53d anniversary of liberation from Japan and the 50th anniversary of the founding of the Republic of Korea.

Like all the others, however, Mr. Park had to sign a pledge to "abide by Korean laws." As he left prison, he was greeted by chanting demonstrators waving banners that read, "No to the law-abiding oath."

Overall, 2,071 prisoners were freed Saturday, while 13 others got reduced sentences and civil rights were restored for 4,820 people on parole.

The controversy over the pledge drowned out an effort by President Kim Dae Jung, a former dissident who served more than eight years in jail under dictatorial presidents, to heal deep differences among South Koreans and appear as a champion of human rights.

"In principle, I don't agree with the pledge," said Mr. Park, explaining why he signed it. "I am merely complying with Kim Dae Jung's determination to resolve the problem of prisoners of conscience."

In contrast, he cited the record of Chun Doo Hwan, the former general who seized power in 1980 and gained a reputation both for corruption and heavy-handed dictatorship.

"In those days the working class was a forgotten class," Mr. Park said. "People didn't get paid. There was violence in the workplace. There were no basic rights. Workers were like animals."

Also among those freed Saturday was Kim Seong Man, who spent 13 years in six different prisons. A former student at Western Illinois University, in Macomb, he was convicted of violating the national security law by meeting with North Korean officials in Budapest.

"I was arrested a month after getting back to Korea," Mr. Kim said. "At first I was treated badly. They would tie my hands together and put me in a room with no sunlight for some unreasonable reason." More recently, he said, "I was treated O.K."

In his last prison, in Taejon, about 160 kilometers (100 miles) south of Seoul, he often saw South Korea's longest-serving political prisoner, Woo Yong Oak, jailed as a North Korean spy and held for 40 years.

Mr. Woo and 16 other long-serving North Koreans led a movement to refuse to sign the pledge to abide by South Korean law.

"I saw Mr. Woo before I got out," Mr. Kim said. "He didn't say much, but he was very disappointed."

Kim Nak Jong, released after serving six years for meeting with North Korean propaganda agents, said the decision of Mr. Woo and the other North Koreans not to sign the pledge reflected fears for their families.

"They said their families are living in North Korea and, if they sign, North Korea will make it difficult for them," he said.

As for about 100 others who refused to sign, he said they were mostly student radicals who only had a few more months to serve. More than 200 others, who made a show of refusing to sign the pledge, he said, "are still waiting trial and were not yet eligible."

To Fight Terrorism, U.S. Takes Another Look at Retaliation

By Steven Langer
New York Times Service

WASHINGTON — As the Clinton administration rushes to prepare new budget requests to improve the security of U.S. embassies, officials and experts are increasingly discussing what may be a more efficient response to terrorist retaliation.

Washington's failure to respond to the 1996 terrorist murder by truck bomb of 19 U.S. soldiers in Dhahran, Saudi Arabia, sends a message of vulnerability by scruple, the argument goes. In other words, **NEWS ANALYSIS** America's need to find irrefutable proof of who committed an attack before acting against the culprits may only forestall the kind of rapid and aggressive strike that could deter further terrorism.

"The message being sent all over the world is that we're vulnerable, and our allies are vulnerable," said Anthony Cordesman of the Center for Strategic and International Studies. "That won't be solved by more conferences and more gates, but serious thought about how you retaliate and punish."

Iraq's president, Saddam Hussein, who is engineering another crisis with Washington and the United Nations over inspections of his arms programs, is hardly the only one trying to gauge America's will.

William Odom, who was director of counterterrorism in the Carter White House, says he has come to a fairly simple view. "Terrorism at home is a crime; terrorism abroad is war." And if war is the issue, he asks, "why not act

militarily?"

While retaliation must be founded on fact, some suggest that America's threats to retaliate to attacks like the bombing of its embassies in Kenya and Tanzania lack credibility because U.S. standards of evidence are too high for this kind of fight. The war against terrorism is an increasingly irregular war, with nihilism or cultural fury replacing political programs, and sponsorship increasingly hidden.

One principal suspect in the East Africa bombings, as well as in the Dhahran attack, for example, is a renegade Saudi financier, Osama bin Laden, who has been operating out of Afghanistan with a fortune and a religious ideology, perhaps taking a role that states used to take — or shielding them from responsibility.

Dimitri Simes, president of the Nixon Center, a Washington policy institute, thinks there must be credible punishment for terrorism and a lower standard of proof to trigger it. In a world of sovereign nations, he says, "I don't believe you need the same level of proof

as a court of law. If someone throws stones and threatens to throw more, I don't think the level of proof has to be too high. And if you punish the wrong guy for a particular act, that's not even so terrible, if you know for sure that this is a bad guy."

But others, looking back to humiliating excesses in Vietnam and Central America, argue that Americans have never been particularly good at irregular warfare, perhaps because they are so uncomfortable with it.

Hollywood's Rambo aside, Americans get skittish about granting broad authority to the covert guys who break the rules, even to get the bad guys. After scandals at the CIA, President Gerald Ford issued an executive order in 1974 banning assassination, a statute that Senator Orrin Hatch, a Utah Republican, now questions.

Secretary of State Madeleine Albright is urging both relentless pursuit and patience. "We are not a nation that retaliates just in order to get vengeance," she told nearly 800 State Department employees after the Africa

bombings. Although "we would all like to go out right this instant and bomb somebody," she said, "I think that we've got to be careful about what we're doing and why we're doing it and we're doing the right thing so that we can be true to ourselves."

But there is a middle ground, says Paul Goble, a former official with the State Department and the CIA. "If you have to make an American legal case it's hard to do anything. If you say no standards are necessary, then you unleash worse problems. But you have to prove you mean business, and even our courts require no more than excluding reasonable doubt."

He and others point to President Ronald Reagan's order to bomb Moammar Gadhafi's residence after there was clear evidence of Libyan complicity in attacks on U.S. soldiers in Berlin. The then-assistant secretary of defense, Richard Perle, has said Colonel Gadhafi

understood the message and "behaved differently for years."

There are levels of deterrence, officials and experts say, and America needs to improve its performance on all of them. Gates and setbacks for embassies are vital, along with improved intelligence, particularly by spies as opposed to devices, says Robert Oakley, a former head of counterterrorism at the State Department.

Even with improvements in these matters, and a steady effort to bring terrorists to justice, argues Steven Emerson, an authority on radical Islam, the most important element in counterterrorism is "preemptive strikes and covert action" to "disrupt the operations of the terrorists on their home turf." In 1996, he noted, the Clinton administration endorsed the idea of specialized units to infiltrate terrorist operations and disrupt them. "Unfortunately that has not been done," he said.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.

Europe	Today	Low/High	Tomorrow	Low/High	Day After	Low/High
Algeria	25/34	18/24	22/32	15/25	20/30	18/28
Austria	24/32	14/22	21/31	12/22	19/29	17/27
Azerbaijan	28/36	18/28	25/35	16/26	22/32	20/30
Bulgaria	26/34	16/26	23/33	14/24	20/30	18/28
Croatia	24/32	14/22	21/31	12/22	19/29	17/27
Czechia	24/32	14/22	21/31	12/22	19/29	17/27
Dominican Rep.	28/36	18/28	25/35	16/26	22/32	20/30
Egypt	28/36	18/28	25/35	16/26	22/32	20/30
France	24/32	14/22	21/31	12/22	19/29	17/27
Germany	24/32	14/22	21/31	12/22	19/29	17/27
Greece	28/36	18/28	25/35	16/26	22/32	20/30
Hungary	24/32	14/22	21/31	12/22	19/29	17/27
India	28/36	18/28	25/35	16/26	22/32	20/30
Indonesia	28/36	18/28	25/35	16/26	22/32	20/30
Iran	28/36	18/28	25/35	16/26	22/32	20/30
Italy	24/32	14/22	21/31	12/22	19/29	17/27
Japan	28/36	18/28	25/35	16/26	22/32	20/30
Korea	28/36	18/28	25/35	16/26	22/32	20/30
Latvia	24/32	14/22	21/31	12/22	19/29	17/27
Lithuania	24/32	14/22	21/31	12/22	19/29	17/27
Malaysia	28/36	18/28	25/35	16/26	22/32	20/30
Mexico	28/36	18/28	25/35	16/26	22/32	20/30
Moldova	24/32	14/22	21/31	12/22	19/29	17/27
Netherlands	24/32	14/22	21/31	12/22	19/29	17/27
Norway	24/32	14/22	21/31	12/22	19/29	17/27
Poland	24/32	14/22	21/31	12/22	19/29	17/27
Portugal	24/32	14/22	21/31	12/22	19/29	17/27
Romania	24/32	14/22	21/31	12/22	19/29	17/27
Russia	24/32	14/22	21/31	12/22	19/29	17/27
Saudi Arabia	28/36	18/28	25/35	16/26	22/32	20/30
Slovakia	24/32	14/22	21/31	12/22	19/29	17/27
Slovenia	24/32	14/22	21/31	12/22	19/29	17/27
Spain	24/32	14/22	21/31	12/22	19/29	17/27
Sweden	24/32	14/22	21/31	12/22	19/29	17/27
Switzerland	24/32	14/22	21/31	12/22	19/29	17/27
Taiwan	28/36	18/28	25/35	16/26	22/32	20/30
Tanzania	28/36	18/28	25/35	16/26	22/32	20/30
Turkey	28/36	18/28	25/35	16/26	22/32	20/30
Ukraine	24/32	14/22	21/31	12/22	19/29	17/27
United Kingdom	24/32	14/22	21/31	12/22	19/29	17/27
USA	28/36	18/28	25/35	16/26	22/32	20/30
Vietnam	28/36	18/28	25/35	16/26	22/32	20/30
Yugoslavia	24/32	14/22	21/31	12/22	19/29	17/27

Forecast for Tuesday through Thursday, as provided by AccuWeather

North America

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New Jersey	28/36	18/28	25/35	16/26	22/32
New Mexico	28/36	18/28	25/35	16/26	22/32
New York	28/36	18/28	25/35	16/26	22/32
North Carolina	28/36	18/28	25/35	16/26	22/32
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Maryland	28/36	18/28	25/35	16/26	22/32
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Michigan	28/36	18/28	25/35		

THE AMERICAS

As Clinton Testifies, Pitfalls Await Him Wherever He Turns

By Nina Bernstein
New York Times Service

NEW YORK — Veteran prosecutors of perjury cases and professors of law see some legal risks for President Bill Clinton, regardless of whether he continues to insist that he did not have sexual relations with Monica Lewinsky, or acknowledges a certain kind of sexual contact and tries to reconcile it with his testimony in the Paula Jones lawsuit.

In either case, these legal experts said, there is a large element of the surreal in the president's situation. The way the case stands now, most agree, as a matter of both law and practice, it is highly unlikely that any ordinary citizen would face charges of perjury or obstruction of justice on the basis of the deposition in the Jones case.

Nor can the grand jury investigating the matter actually level such charges against Mr. Clinton while he is still in

office, as most legal scholars interpret both the Constitution and the independent counsel law.

Yet, based on the specter of such charges, Kenneth Starr, the independent counsel, can now question Mr. Clinton in a new proceeding, a federal grand jury, where the legal stakes are much higher, and where anything he says can be used against him.

If Mr. Starr has convincing evidence that a continued denial is false, including any DNA evidence that might be obtained from a dress of Ms. Lewinsky's, it could make Mr. Clinton vulnerable to a much stronger perjury case.

The Fifth Amendment, the right not to be compelled to bear witness against oneself, protects citizens against just that kind of bind: Answer falsely and risk charges of perjury; refuse to answer and risk jail for contempt of court; answer truthfully and provide ammunition for criminal conviction of oneself.

But politically, most observers agree, taking the Fifth is not an option for a president.

Richard Uviller, a professor of law at Columbia University, likened the result to the "perjury trap" set for racketeers when he was an assistant district attorney in Manhattan under Frank Hogan, the best-known prosecutor of his time.

Like many other former prosecutors interviewed, Professor Uviller is troubled by the idea that the kind of device used to catch mobsters could force the president of the United States to answer graphic questions about his behavior.

Others said it was unfair to Mr. Starr to say he was only investigating sex. "The sex is the subject matter of the lie, but it's the perjury that's important here," countered John Fried, the 1985-90 head of the trial division of the Manhattan District Attorney's office.

But Mr. Fried, who rejected the term "perjury trap" to describe Mr. Starr's

tactics, also cringed at the kind of graphic questions needed to lay the groundwork for a perjury case against President Clinton.

It was the lack of such questions by the lawyer deposing the president in the Jones case in January that has left Mr. Clinton the possibility of telling the grand jury that he had sexual encounters with Ms. Lewinsky, while making a case that he did not testify falsely.

Advisers to the president acknowledged Thursday that such a strategy was under consideration.

If Mr. Clinton did not have sexual relations with Ms. Lewinsky, then, of course, no perjury was committed. But in legal terms, perjury is not just lying under oath but knowingly making a false statement that is material to the inquiry at hand.

In this case, there is considerable doubt that a possible consensual sexual relationship with Ms. Lewinsky was ma-

terial to the Paula Jones case, which was dismissed. Legally, evidence that goes to character or credibility is not considered material.

Whether he believed his statements in the Jones deposition to be false in strict legal terms is also in doubt.

For the purposes of the deposition, the agreed-upon definition of sexual relations was "contact with the genitalia, anus, groin, breast, inner thigh, or buttocks of any person with an intent to arouse or gratify the sexual desire of any person."

"So the record is completely clear," Mr. Clinton was asked, "have you ever had sexual relations with Monica Lewinsky, as that term is defined in Deposition Exhibit 1, as modified by the court?"

Mr. Clinton replied: "I have never had sexual relations with Monica Lewinsky. I've never had an affair with her."

POLITICAL NOTES

Gauging the Fallout

WASHINGTON — As President Bill Clinton prepared for his risk-fraught testimony before a grand jury Monday, both political parties — and especially the Democrats — were looking for signs of how the independent counsel Kenneth Starr's endgame could change the dynamics of an otherwise placid election year.

A critical question in off-year elections is voter turnout. A number of strategists from across the country, Democrats and Republicans alike, said the greatest danger for Mr. Clinton's party is that his troubles could keep disillusioned Democrats from the polls and energize angry conservatives to vote.

Americans are still giving the president approval ratings of around 60 percent, even as larger majorities tell pollsters they think Mr. Clinton has lied about his relationship with Monica Lewinsky, a former White House intern.

Any Democratic hopes of making gains in the House require Mr. Clinton's approval ratings to remain strong.

For that reason, a number of Democrats say that Mr. Clinton should move swiftly after the closed-circuit testimony before the grand jury Monday and speak directly to the public. (NYT)

Defense and Pork

WASHINGTON — At a time when the Pentagon is lamenting a lack of money for key programs, the annual defense appropriations bill headed toward passage this fall contains an estimated \$4 billion in projects the military never asked for. The programs were added on by members of Congress seeking to steer military spending to their home districts.

Some of the projects — such as a \$1.5 billion ship that is being pushed by the Senate majority leader, Trent Lott of Mississippi — have at least some military purpose but are seen by defense officials as a misdirection of resources. Others, such as a \$1 million request championed by Representative Norman Dicks, Democrat of Washington, for a Lewis and Clark exhibit in his state, have little apparent military value. (WP)

Quote / Unquote

Donna Turrubiates of Cary, North Carolina, giving President Clinton advice on how to respond to grand jury questioning: "I would admit it if I had done it and would apologize. But I never dreamed my sex life would affect the way I run the country." (AP)

New Map Room History

Clinton to Face Grand Jury's TV Setup

By Peter Baker
and Susan Schmidt
Washington Post Service

WASHINGTON — President Bill Clinton's fateful appointment at 1 P.M. on Monday with a grand jury will take place not in the chambers at the Federal Courthouse but in the White House's storied Map Room.

This was the ground-floor room beneath the residential quarters where President Franklin D. Roosevelt stopped each morning on his way to the Oval Office during World War II to check maps of troop deployments.

Still on the wall is a map showing Allied troops closing in on Berlin on April 3, 1945, the last map that President Roosevelt saw before going to Warm Springs, Georgia, where he died.

The 23 grand jurors will not be in the Map Room. They will watch in the Federal Courthouse by means of a one-way television hookup and will be allowed to address questions to Mr. Clinton via a prosecutor.

Government technicians will use encryption technology to avoid any interception of the closed-circuit feed.

Gathered in the Map Room will be an elite cast of characters who have shadowed with each other for years — all, it seems now, in preparation for this one climactic moment.

On the one side will be Kenneth Starr, appointed four years ago this month to look into an obscure land-development deal in Arkansas, only to find himself heading down other scandal trails.

With him will be a handpicked group of lawyers who have immersed themselves in every facet of the Monica Lewinsky case for seven months.

On the other side will be Mr. Starr's longtime quarry, President Clinton, along with a triumvirate of lawyers who have steered the president through rough legal waters repeatedly and now face their greatest challenge in helping him avoid criminal or impeachment jeopardy.

While the independent counsel's of-

fice refused to say which lawyers would attend, Mr. Starr seems likely to leave the questioning to deputies who most often have taken the lead in interrogating other witnesses before the grand jury.

Jackie Bennett Jr., Mr. Starr's chief deputy in Washington, has perhaps the deepest knowledge about Mr. Clinton.

A veteran of the Justice Department's Public Integrity Section, Mr. Bennett has attended depositions of Mr. Clinton and has tried Whitewater-related cases in Arkansas.

His aggressive and unpredictable questioning style have earned the enmity of the Clinton legal team.

The day-to-day manager of the Lewinsky investigation is Robert Bittman, a former state prosecutor in Anne Arundel County, Maryland.

Mr. Bittman's background, which includes sex-crime prosecutions, may make him less reticent about posing intimately detailed questions.

Solomon Wisenberg, a former federal prosecutor in Texas, has spent more time with the grand jury than anyone in Mr. Starr's office.

At the president's side during the questioning will be David Kendall and Nicole Seligman, his attorneys from the Williams & Connolly law firm, along with the White House counsel Charles F. C. Ruff.

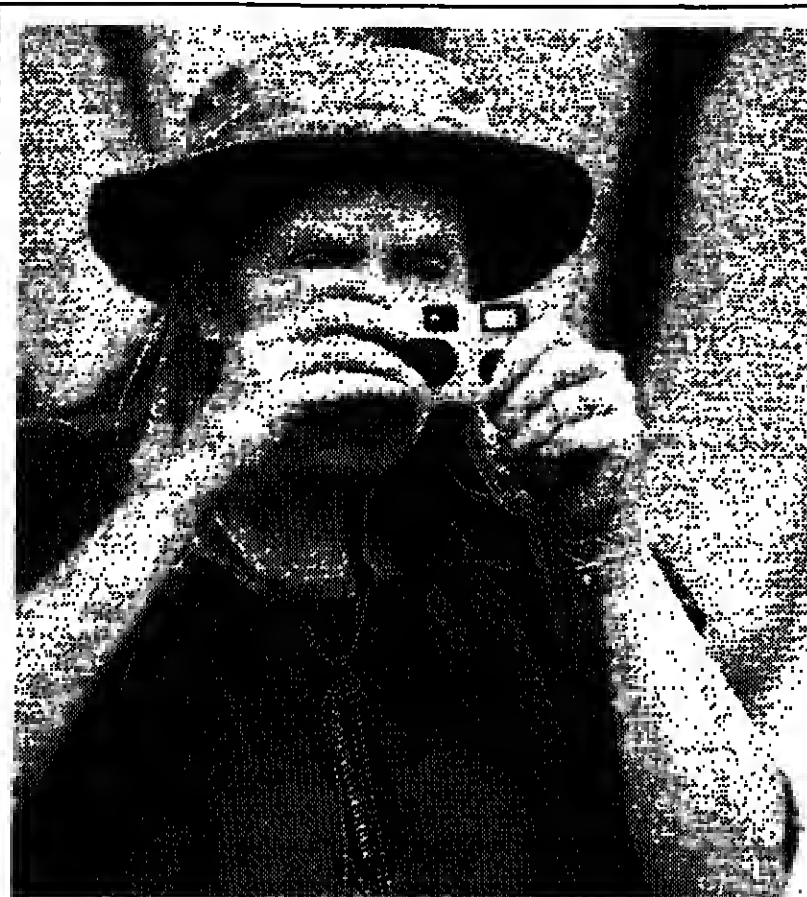
Lawyers are normally not permitted to be present during grand jury questioning but Mr. Starr agreed to make an exception for Mr. Clinton.

It is unclear whether the Clinton lawyers will be able to raise objections or assert legal privileges.

Taking testimony from the president is a matter that goes far beyond mere questions and answers. It takes stage management, too.

Everything from camera angles to lighting to the demeanor of the players will be staged for maximum advantage.

Assuming they follow the same procedures as the past, for example, Mr. Starr's aides will not allow any trappings of presidential power to be seen in the TV camera scenes.



'60s REDUX — Joni Mitchell, who made her debut at Woodstock in 1969, taking a photo of the crowd at a three-day music festival over the weekend at Max Yasgur's farm, the site of the legendary cultural event.

Away From Politics

• A 39-year-old convicted child killer from Virginia spent four months coaching kids part-time at a South Brunswick, New Jersey, YMCA before officials learned of his murderous past and fired him. (AP)

• A 37-year-old Missouri teacher was charged with the statutory rape of one of her 12-year-old male students at a middle school near Kansas City. The arts and literature teacher allegedly had sex with the sixth-grade boy at her home on three occasions in May and June. She pleaded not guilty. (AP)

• An independent arbitrator ordered county officials in central California to reinstate a clerical worker who was fired for turning in an illegal immigrant — a deadbeat dad — to immigration authorities. The case is the nation's first known instance of a government employee seeking protection for informing on an illegal immigrant under a 1996 federal law that overrides the "no-tell" rules. The rules were adopted by many cities with large immigrant populations and restrict the police and other workers from informing the Immigration and Naturalization Service about suspected illegal immigrants. (LAT)

• A small plane crashed into a van near Cincinnati, killing at least three people, including the pilot. The single-engine aircraft went down on the west-bound lane of a busy highway. (AP)

White House Weighs Tobacco Suit Over Medicare Costs

By Alissa J. Rubin
and Myron Levin
Los Angeles Times Service

WASHINGTON — The White House, frustrated by the collapse of anti-smoking legislation, is giving increasingly serious consideration to a strategy aimed at extracting massive monetary damages from cigarette makers by filing a lawsuit on behalf of the government's

Medicare program. Top White House officials are said to be eager to go forward with a Medicare lawsuit if they can overcome concerns among some administration attorneys, primarily within the Justice Department, about its chances for success, according to lawyers close to the discussions.

Their argument received a potential boost Friday, when a federal appeals court ruled that the Food and Drug Ad-

ministration had no authority to regulate nicotine or restrict marketing targeted at youths.

In the 2-1 decision on Friday, a panel of the 4th U.S. Circuit Court of Appeals in Richmond, Virginia, overturned a federal district judge's ruling of last year that upheld FDA regulation of tobacco, a step that would allow government officials to control cigarette nicotine levels.

In 1996, the FDA declared that it had

the authority to regulate nicotine as a drug, and to regulate cigarettes as drug-delivery devices. But the appeals panel ruled that the FDA needed explicit authority from Congress to regulate tobacco products.

The suit would attempt to recover from the nation's five major tobacco companies the accumulated cost borne by taxpayers to treat people with smoking-related diseases under Medicare, which covers the medical expenses of more than 35 million Americans aged 65 and older.

Sources close to the discussions said the suit could seek damages of nearly \$1 trillion.

The lawsuit would represent a major shift in strategy in the battle over tobacco industry liability. It would be designed to increase pressure on cigarette companies to come back to the bargaining table and work out a settlement with the administration and Congress.

The Medicare suit would dwarf pending lawsuits filed by 40 states to recover costs under Medicaid, the joint state-federal health insurance program for the poor and disabled.

For the time being, administration officials are being circumspect about the discussions, noting that a final decision is not expected for several weeks. "Justice and Health and Human Services are still reviewing it," said one White House official.

"It requires full legal analysis. They haven't reached closure yet."

A tobacco industry spokesman said Saturday he had not been aware of the discussions within the administration, but predicted "the government would have great difficulty in mounting such a case."

He cited, among other things, the large amount of excise taxes Washington has collected over the years from cigarette sales.

The spokesman, who requested anonymity, said the discussion of a Medicare lawsuit sounds like an effort by the administration "to find a way to cover their own failures of leadership in this matter by trying to come up with a political and public relations gesture."

The lawsuit is being promoted, among others, by Attorney General Mike Moore of Mississippi and the plaintiffs' attorney Richard Scruggs. Mr. Moore and Mr. Scruggs were the first lawyers to test the idea of suing cigarette makers to recover medical costs to states.

Mr. Scruggs went on to represent a number of state attorneys general in similar suits, and it was the collective impact of those suits that brought the tobacco industry to the bargaining table last year.

Mr. Scruggs and Mr. Moore want to assemble a team of top attorneys to handle the Medicare case for the federal government. The Mississippi lawyers argue that the threat of having to defend potentially ruinous lawsuits is the only way to get cigarette makers to accept a comprehensive package of marketing restrictions and other measures to reduce underage smoking.

Another supporter of such a lawsuit is the constitutional law scholar Laurence Tribe, who has looked closely at the legal issues involved at the request of officials in Washington.

POLLS:

'Enough,' People Say

Continued from Page 1

anything Mr. Clinton says Monday, or anything the independent counsel, Kenneth Starr, reports to Congress later, could alter what has been a consistent pattern of opinion throughout the ordeal.

Most analysts of public opinion say it will take more than a Clinton admission of a sexual relationship or positive DNA evidence on the dress Ms. Lewinsky turned over to prosecutors to jolt people enough to change their belief that the matter does not warrant impeachment proceedings in Congress.

But given that President Richard Nixon saw his approval rating cut by more than half in 1973 because of Watergate and that President Ronald Reagan's fell from 67 percent to 44 percent during the Iran-contra scandal, Mr. Kohut offered this caution as the investigation enters a crucial stage: "I don't think we should take the public for granted and say nothing could change their minds about Bill Clinton on this. We've never been in a situation where a president has been put in this place."

Public conclusions about the basic elements of the investigation have produced a president who is believed by the public to be stronger than ever in some measures of leadership and how he handles his responsibilities — and yet battered personally by an eroding judgment about his morals and honesty.

Karlyn Bowman of the American Enterprise Institute put together a series of charts measuring what she labeled "The Character Gap" between Mr. Clinton's lofty approval ratings and growing public disgust with his personal behavior.

A few snapshots of her findings are illustrative.

In the first year of Mr. Clinton's presidency, public belief in his honesty and trustworthiness ran about 6 to 9 percentage points above his job approval rating.

In the latest Gallup Poll, it runs 30 percentage points behind his job approval rating.

Throughout 1993 and 1994, the relationship between the president's job approval rating and the question of whether Mr. Clinton "shares your values" was at rough parity.

Today job approval outstrips the other measure by at least 20 percentage points.

AMERICAN TOPICS

A New Slant on Penmanship: Curlicues No Longer Required

For as long as anyone can remember, young Americans have learned to write a cursive Q like a big 2 with loops. But for years now they have grown up and stopped writing that way. So a leading publisher of handwriting materials, seeing the unadorned writing on the wall, is replacing the letter with something more like the printed version.

"A lot of folks didn't recognize it as a Q, and it gave people problems, including people at the Post Office," said Richard Northrup, an executive at the publishing house Zaner-Bloser Inc. In a further drive for simplicity, the capital letters H, X, W and V are losing the loops and flourishes known as "cane stems."

The change, reports The Associated Press, is a concession to reality: Kids reared in the computer age have less time to learn to write by hand but just as great a need to know how. There is no time in class for the ornamental.

At the same time, companies that sell handwriting

textbooks report that sales have rebounded in recent years. Schools have resurrected penmanship competitions. Popular teaching methods emphasize journal-keeping and essay tests. Teachers point to research that suggests a link between ease in the mechanics of writing and ease in writing and organizing thoughts.

"It seems so routine and mundane to just produce alphabet letters," said Virginia Berninger, a University of Washington researcher who worked on one recent study, "but for a 6-year-old it's a major cognitive task." To make the process easier, the prettiness of cursive letters, such as the looped 2-Q, may have to suffer.

Short Takes

No news was good news for readers of the latest issue of the Bay Area Reporter in San Francisco. As a Page 1 headline noted, this was the first time in more than 17 years that the weekly had received no obituaries for victims of AIDS. The weekly, which covers the gay community, has reflected the course of the AIDS epidemic, averaging a dozen obits a week in the mid-1980s, and 31 in one week. But the introduction of powerful new AIDS drugs brought dramatic change. As of Friday, no AIDS death notices had arrived at the newspaper for 10 days. This does not mean there were no AIDS deaths. The paper prints obits provided by friends or relatives, so many deaths go unreported. And while there has

been progress against AIDS in the gay community, the disease is actually increasing among heterosexual African Americans. Still, said a reader of the Bay Area Reporter, Tom Hayer, as he sat in a coffee shop in the largely gay Castro district, "It's nice to pick up the paper and not read about your friends dying."

Virginia is preparing to replace historical markers along state roads, deleting references to Indians as "savages," "heathens" and "half-breeds." One of those to be replaced, the Dumlupinar Island marker on Route 10 in Suffolk, describes a 1608 incident between Nansemond Indians and English settlers. It reads: "The savages jumped overboard when the English fired their guns, and later ransomed the canoes for corn."

Historians will study the events described on the signs, some of which are up to 60 years old, then formulate new wording.

A shopping mall for children opened over the weekend in Grand Rapids, Michigan, conceived by two developers as a tribute to their son, who died at the age of 3. The mall includes a restaurant offering 50 types of peanut-butter-and-jelly sandwich. "Parents shop where their kids want to go," said Deb Colvin, one of the developers. She and her husband, Pete, hope to use profits to aid children's charities.

Brian Knowlton

CLINTON: President Will Admit to Sex With Intern, an Insider Says, but Not to Perjury

Continued from Page 1

pearance before the grand jury Monday.

If Mr. Clinton can find the right words and the right tone in his grand jury testimony, the president's lawyers hope Mr. Starr and his deputies will not attempt to humiliate the president with an extended series of intimate questions about his personal behavior.

"Starr wins," another source with firsthand knowledge of the situation said of Mr. Clinton's apparent willingness to give ground on the issue of sexual activity. "And we hope," he added, that Mr. Starr will not "feel it necessary to drag the body around the arena."

But Mr. Starr's investigation of perjury involves more than the issue of whether Mr. Clinton lied under oath by denying that he and Ms. Lewinsky engaged in sexual activity, however defined, in the since-dismissed Jones case. If Mr. Clinton acknowledges some kind of sexual relationship with Ms. Lewinsky, he would also have to explain many other questionable statements in the deposition. The independent counsel's inquiry also focuses on obstruction of justice and suborning perjury by the

president and others — areas that always have been considered more serious by the American people than the issue of the president's private behavior. It is considered unlikely that Mr. Starr's team would be willing to limit the interrogation to those critical issues simply by a Clinton acknowledgment of sexual activity with Ms. Lewinsky.

After seven months of shrill, partisan rhetoric designed to discredit Mr. Starr's investigation and a series of White House legal challenges fought all the way to the Supreme Court, the Clinton intimate clearly intended to extend an olive branch to the independent counsel when he said, "I don't know that Starr is a bad man. He is a righteous man."

He then spoke respectfully of Mr. Starr's religious convictions and justifiable moral outrage about allegations that the president had behaved improperly with a young subordinate.

Despite publicly charging Mr. Starr with illegally leaking grand jury information and just a week ago saying such conduct is "highly unprofessional and utterly indefensible," David Kendall, the president's personal lawyer, also has softened his criticism of Mr. Starr in recent private comments to associates,

according to knowledgeable sources. Declaring that Mr. Starr is neither a fanatic nor a true believer, Mr. Kendall has said that Mr. Starr's aggressive investigation was perhaps forced on him by the strictures of the Independent Counsel Act.

But in making an attempt to reach out to Mr. Starr, the president's advisers also are preparing the public for what shapes up as the most important week of Mr. Clinton's presidency. By offering a preview of a presidential strategy that some lawyers and politicians regard as risky, the president's associates may help soften the impact of hearing it from Mr. Clinton himself.

But there is much more in the Clinton deposition than the definition of sexual relations that could cause the president problems when he testifies Monday. In his Jones testimony, Mr. Clinton also was evasive on key questions, such as whether he gave gifts to Ms. Lewinsky, whether they were ever alone together and whether he discussed with Ms. Lewinsky her subpoena in the Jones case.

With Mr. Starr still preparing to send a report to the House of Representatives on possible impeachable offenses, Clinton advisers say that the days after the

president's grand jury testimony will determine whether he can hold the support of the public, which so far has found his denials not credible but has shown no willingness for Congress to begin impeachment proceedings.

Many Clinton advisers maintain that the president's problem is more political than legal — namely the question of how he explains whatever he says before the grand jury to the public.

Mr. Clinton and his lawyers have persuaded themselves they can avoid legal jeopardy with the independent counsel's investigation if he testifies truthfully Monday and, in doing so, explains why he denied that he had had a sexual relationship with Ms. Lewinsky in the Jan. 17 Jones deposition.

The foundation of this strategy hinges on a claim that, when he was presented with a definition of sexual relations approved by Judge Susan Webber Wright, he interpreted the term to mean something akin to a love affair that involved sexual intercourse. Instead, Mr. Clinton could acknowledge some kind of "sex play," according to the person who has spoken to the president, that fell short of intercourse.

ASIA/PACIFIC

Indonesia, Shaken but Determined, Looks to 53d Anniversary

By Michael Richardson
International Herald Tribune

JAKARTA — Overshadowed by a deepening recession and fears of renewed riots, Indonesia marks its 53d anniversary of independence Monday under a president who is battling to revive confidence in the government's ability to rebuild the economy, maintain order and carry out political reform.

Making his first eye-of-independence day address to the nation, President B.J. Habibie said Saturday that Indonesia had entered a new era of "democratic resurgence" and that this would help bring about economic recovery.

Seeking to distance himself from his

longtime mentor, former President Suharto, who was forced to resign in May when protests against his 32-year rule, riots and arson threatened to engulf Jakarta, Mr. Habibie said that the unrest was evidence that "the old paradigm, which emphasized stability by adopting a security approach, was no longer adequate to respond to the demands and aspirations of the people."

Yet, the reality, analysts and Asian officials said Sunday, is that the world's fourth most populous nation is in the midst of a potentially explosive transition from autocracy to a more representative and pluralistic system of government, in unfavorable economic and social conditions.

Indonesia has gone through a trans-

matic downturn," said Singapore's senior minister, Lee Kuan Yew. "The new president has to tackle a deepening economic crisis and at the same time resolve political pressures for democratic reforms."

The Habibie government has tried to win support at home and from international aid donors by freeing political prisoners, pledging to observe global human rights standards, calling the armed forces to account for past abuses of power and withdrawing combat troops from secession-prone regions such as East Timor and Aceh in northern Sumatra to ease tensions.

The government has also set out a timetable for democratic reform leading to fresh legislative elections in May,

four years ahead of schedule, and the choice of a new president, who will take office in year 2000.

Mr. Habibie spoke Saturday of a need to further reduce the role of the armed forces in politics to encourage greater professionalism in the military and civilian control of government.

But in a move that underlines the political divisions that have opened up in Indonesia since Mr. Suharto's departure, aides of the opposition figurehead, Megawati Sukarnoputri, said on Sunday that she planned to boycott Monday's military parade at the Presidential Palace, where Mr. Habibie will take the salute.

It would be the first time in 20 years that Mrs. Megawati, daughter of Mr.

Sukarno, has missed the celebration of the country's independence from Dutch colonial rule.

Authorities banned a planned rally by her supporters in late July, saying they feared it would lead to violence.

Security forces are already on alert in Jakarta and other major cities after pervasive rumors that fresh riots and attacks on the ethnic Chinese minority, similar to those that occurred before Mr. Suharto resigned, are imminent.

Persuading the Chinese to restart their businesses and reinvest in the economy is widely seen as an important step toward restoring the confidence of foreign investors in Indonesia, because the Chinese play a key role in the manufacturing and retail sectors, as well as distribution.

"To rejuvenate investment, we have to win back investors' confidence," said Mari Pangestu, an Indonesian economist who serves as executive director of the Center for Strategic and International Studies in Jakarta.

She said that confidence would only return if security and political stability were restored.

"A return of confidence will also depend on whether next year's general election is fair and clean, and produces a legitimate government," she added.

The government and security forces have promised protection to ethnic Chinese. But in a sign of continuing widespread nervousness, hundreds of Chinese have left Indonesia in recent days, fearing the worst.

For most of the past two decades, Aug. 17 has been a day of hope and considerable pride for many Indonesians, who saw real prospects of lifting themselves out of poverty into the ranks of an expanding middle class as the economy continued to grow by more than 6 percent annually.

That dream has been shattered in the last 12 months, as East Asia's financial earthquake struck Indonesia, decimating the value of its currency and stock market, undermining the economy and leaving many companies and banks with large debts they cannot repay.

About 1,200 people were killed, and 150 women and girls raped in the May riots in Jakarta alone.

Condemning the riots as "barbaric" and a national "shame," Mr. Habibie said that they were "a challenge, even a threat, to our spirit of nationalism."

He warned that without unity, Indonesia would have broken up into "scores, or perhaps hundreds, of small states," possibly hostile to each other.

Analysts said that the most immediate and difficult challenge for the government was to ensure that basic food supplies, education and health care to prevent a slide into lawlessness and anarchy.

India Leader Feels Heat

Fragile Coalition Fights for Political Survival

By Pamela Constable
Washington Post Service

NEW DELHI — Heavy monsoon rains had lifted for an hour, allowing Prime Minister Atal Bihari Vajpayee to hoist India's flag on schedule just outside a 17th-century fort in a traditional ceremony honoring the country's 51st anniversary of independence from British rule.

But although honor guards saluted, schoolchildren clapped and helicopters showered the audience with rose petals, the atmosphere Saturday was more tense than celebratory. Mr. Vajpayee and his precarious coalition government were nearly toppled by internal political divisions last week, leaving even his closest advisers reluctant to predict how much longer it can survive.

The embattled prime minister, 72, spoke in unusually subdued tones as he delivered the traditional state-of-the-nation speech, and he had to be helped down from the podium. At the end, he all but acknowledged the crisis. "I have been in opposition for 40 years," he said. "I will accept whatever comes to me in the line of duty. But I will not beg before anyone. I cannot run away. I will not accept defeat."

Mr. Vajpayee, the Hindu nationalist leader whose government came to power less than five months ago and shocked the world by setting off five nuclear explosions in May, might well be forced from office by the bitter feud within his coalition, say a variety of observers.

If the government does fall, India would face a scramble for power among

numerous political factions — and possibly even a disruptive parliamentary election — at an especially bad moment. The country's economic policies are in disarray, and the rupee has plunged to a record low, with the dollar at 42 rupees. The nuclear tests have badly strained relations with the United States and other allies. Meanwhile, a long-standing conflict with Pakistan over the disputed territory of Kashmir has flared, and bilateral talks collapsed again two weeks ago.

Government aides and sympathizers tried to put a reassuring face on the situation, stressing that India's democratic system is still strong and flexible. Some observers suggested a change of government, while far from ideal, could ease the factional chaos that has repeatedly threatened Mr. Vajpayee and allow the country to move ahead.

"It could happen, and it wouldn't be a disaster," said K. Subrahmanyam, a defense expert. "We cannot make any particular government bulletproof, but the system is stable. If there is another election, the people of India may return a Parliament that can be more stable as well. One has to keep one's fingers crossed."

Officials also used the anniversary to reassure the world again that they will use their newly acquired nuclear capability in a responsible way. He and President K.R. Narayanan pledged not to use nuclear weapons to attack other nations and said India's differences with Pakistan should be settled peacefully.

Opposition leaders, including Sonia Gandhi, president of the Congress (I) Party, have made similar statements



Prime Minister Vajpayee after a speech on the independence anniversary.

since May. So far, to the surprise of many, the Congress Party has not rushed to topple the weakened government. Instead Mrs. Gandhi has called for restraint and unity in the face of potential political instability.

"We always will be devotees of peace," Mr. Vajpayee said Saturday. He made no mention of the five nuclear explosions Pakistan said it detonated shortly after India's tests.

Mr. Vajpayee's Bharatiya Janata Party, an Indian nationalist group, has little support in many parts of the country. And while the prime minister is popular, critics say he has mishandled several crucial issues, from economic policy to foreign relations.

The worst performance, they say, has been in managing the political fallout from the nuclear tests. Initial public

euphoria after the tests faded quickly, the furious Clinton administration invoked an array of economic sanctions and other industrialized nations joined the condemnation. Yet so far, efforts at diplomatic repair have been halfhearted, and government aides have continued to make defiant comments about the arrogance of Western nuclear states.

Mohan Guruswamy, a senior Bharatiya Janata Party advisor on defense and economic issues, said, "The sanctions don't faze us one bit. We cannot bend down and say 'yes, master' as the West would like."

He said it was "absurd and racist" for the United States, which has a huge nuclear capability, to imagine that either India or Pakistan would launch a nuclear war.

BRIEFLY

Rangoon Departs American Activists

BANGKOK — Four American students deported from Burma for distributing pro-democracy leaflets were on their way back to the United States Sunday, voicing continued commitment to the fight for human rights in the military-ruled country.

The activists, who belong to groups opposed to military rule in Burma, were convicted in a one-day trial Friday of violating an Emergency Provisions Act dating from 1950 and sentenced to five years' hard labor. But the punishment was suspended.

Inside Burma, opposition leader Daw Aung San Suu Kyi continued her own standoff with the junta, remaining in her parked van in a village 32 kilometers (19 miles) west of Rangoon. The authorities stopped her there on her way to a political meeting.

There was no way to independently verify her condition. (AP)

Taleban Forces Claim Key Victory

KABUL — The Taleban militia claimed to have captured a key town linking north and central Afghanistan on Saturday, a development that could unite much of the country under strict Islamic rule.

Taleban fighters said they were in control of Doshi, 160 kilometers (100 miles) northwest of Kabul, a crucial tie between opposition forces in the northern Panjshir Valley and their allies in central Bamyan Province.

However, the militia of the Islamic Coalition Council of Afghanistan, a member of the anti-Taleban alliance, denied that Doshi had fallen. The Salang Pass, which links northern and southern Afghanistan, is controlled through Doshi. (AP)

Karachi Violence

KARACHI, Pakistan — This economic hub was closed for business Sunday during a violent general strike that left at least seven people dead.

The strike was called by the Mohajir Qaumi Movement, the main political party in Karachi, to protest the killings of party workers. Three militants were reportedly wounded by police. (AP)

China Braces for a New Surge of Floodwaters

BEIJING — Compounding China's flood miseries, a river burst its banks in the north, stranding 146,000 people, while farther south millions prepared to battle a new surge of floodwaters on the Yangtze River, state media said Sunday.

The Yangtze flood crest, the sixth so far in a summer that has seen the river's heaviest flooding in 44 years, threatened waterlogged, flood-weakened dikes that protect cities and farmland downstream.

In Hubei, a central province among

the hardest hit by summer floods that have killed more than 2,000 people and made millions homeless, more than 2 million army and civilian flood fighters were preparing for the new surge, the Wenhu Daily said.

The Yangtze at Hubei's Shashi city could surpass a record 45 meters (148 feet), state television reported. That was the level the media have said could prompt officials to dynamite dikes to divert water away from the Yangtze, safeguarding cities downstream by deliberately flooding an area south of Shashi where 500,000 people live.

In northeast China, flood workers worked frantically to reinforce dikes along the swollen Nen River, using cars and even horse-drawn carts to bring the earth, stones, wood and sacks, the Beijing Evening News said.

Meanwhile, authorities in China's Inner Mongolia region were trying to rescue 76,000 people stranded "in dangerous conditions" by the flooded Yellow River, the Xinhua news agency said.

A total of 70,000 people cut off by the river already had been rescued, the agency said.

The
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held on November 17-18
in London. This major international energy forum will be
addressed by oil ministers from the
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INTERNATIONAL

ULSTER: Britain and Ireland Vow to Avenge Terrorist Bombing

Continued from Page 1

denied the bombing, "without equivocation," and a fellow Sinn Féin leader, Martin McGuinness, a member of the new Northern Ireland legislature, called it "an indefensible act designed to wreck the process."

He added, "Everyone should work to ensure that the peace process continues."

George Mitchell, the former Democratic senator from Maine who mediated the peace accord, said he doubted that the bombing would have "a fatal effect, insofar as the peace process is concerned." It was carried out, he said, by "a very tiny minority of cowards and murderers."

In a statement, Queen Elizabeth II said she was "shocked to hear of the appalling crime in Omagh."

David Trimble, the province's new first minister and leader of the mainstream Protestant Ulster Unionist Party, indirectly blamed the IRA itself, saying the massacre could have been avoided had the group handed in its arsenal of weapons and explosives.

"This day will be remembered as the day that violent Republicanism plunged to new depths of depravity," Mr. Trimble said.

With the historic peace agreement that was signed on Good Friday, and the overwhelmingly popular vote May 22 in favor of a new local assembly to implement the peace plan, it was generally assumed in Northern Ireland that the 30-year-old sectarian "Troubles," which took the lives of more than 3,400 people, were just about over.

But the peace pact has come at a painful price. Splinter groups unhappy with the compromises required by the agreement have taken credit for various shootings, bombings and arson attacks.

This spring and summer's bombings had not taken a large toll, in part because there were advance warnings in most cases.



Grieving residents in Omagh waiting for more news Sunday from police.

The attack Saturday coincided with the 29th anniversary of the deployment of British troops in Belfast, a traditional rallying time for Irish Republican Army supporters.

It also occurred just 17 days before President Bill Clinton is scheduled to arrive in Northern Ireland.

Mr. Clinton condemned the attack as "butchery," but the White House said the explosion would not change his plans.

Before heading for Belfast, a tearful Mr. Blair said the attack was "a blast of evil" perpetrated by "a tiny, fanatical

group of people" without any support in Northern Ireland.

The police received a bomb warning 40 minutes before the explosion. But the warning was lethally wrong; the bomb went off in the very area where the police had moved people for their protection.

Ronnie Flanagan, director of the local police force, the Royal Ulster Constabulary, told the BBC that he was certain the bombers gave the misleading warning on purpose, to bring more shoppers toward the explosion.

"We have had men, women and children slaughtered here this afternoon, slaughtered by murderers who wanted to murder," and, he said, "who gave us a totally inaccurate warning."

"This wasn't an attack on police, army or the peace process," he said. "This was an attack on men, women and children on the busiest day in Omagh."

Witnesses told the BBC that there were no cars or buildings to shield the crowds of milling people from the force of the explosion. Hundreds were thrown to the ground in the blast, and the downtown street suddenly became a melange of smoke, debris, blood and severed limbs. "I saw bodies lying everywhere, dead people being zipped into bags," Dorothy Boyle said.

The bodies were lying there with water running over them from burst pipes. There were limbs lying about that had been blown off people," she said, adding that one young pregnant woman had lost her legs.

Mr. Aherne promised that the dissidents responsible for the bombing would be "ruthlessly suppressed." (AP, AP, Reuters, WP, NYT)



Prime Minister Tony Blair speaking Sunday at Miradoux, France.

BRIEFLY

Civilian Transition For Paraguayans

ASUNCION, Paraguay — Raul Cubas Grau took the oath of office as president Saturday, in this nation's first transition between elected civilians since the 34-year dictatorship of General Alfredo Stroessner ended in 1989.

The new president promised to rejuvenate the foundering economy and attack the "scourges of drug trafficking and piracy."

Mr. Cubas, a 54-year-old engineer, said he would overhaul the banking system and take steps to end corruption. (AP)

American Students Nervous in St. Kitts

BASSETTERRE, St. Kitts and Nevis — Many of the 280 American veterinary students at Ross University on this Caribbean island have left, saying they will return in September.

Two weeks ago the U.S. State Department announced that a St. Kitts businessman, Charles Miller, had threatened to have American students killed if he was extradited to Florida on cocaine-smuggling charges.

At Washington's behest, the government of St. Kitts began extradition proceedings against Mr. Miller in 1996. A magistrate denied extradition last year, but a higher court ordered another hearing, which is now scheduled for Oct. 12.

The government has increased security for American students at the veterinary school but says it knows nothing of any threat except what the U.S. government has asserted. (AP)

Prince's Authority Grows in Jordan

AMMAN, Jordan — King Hussein has given his brother, the heir to the throne, authority to shuffle the government, officials said Sunday.

The government has come under fire because of polluted drinking water and because the economy is in recession.

The king, who is 63, is undergoing cancer treatment in America. Crown Prince Hassan ibn Talal, 51, is acting as regent. (AP)

Togo Reports Shots Across Its Border

LOME, Togo — Unidentified gunmen fired shots on Sunday across the border into Togo from neighboring Ghana, Togolese officials said.

Togolese border guards returned fire, and there were no casualties, the officials said.

Security at Togo's border with Ghana was tightened before the disputed re-election on June 21 of President Gnassingbe Eyadema. Togo's main opposition leader, Gilchrist Olympio, contested the election from exile in Ghana. (Reuters)

Iraqis Sentenced To Amputation

BAGHDAD — Odai Hussein, the son of the president, ordered that six army officers who robbed people be punished by the amputation of a hand. The report appeared Saturday in a newspaper published by Odai Hussein.

The sentences were the first of the kind known to have been imposed on officers of the elite presidential unit called Saddam's Commandos. (AP)



Catholics praying at Mass on Sunday in St. Joseph's Hall Church in Omagh, Northern Ireland, where a car bomb killed 28 people Saturday.

BOMB: Ulster's Worst Atrocity Kills 28 and Injures More Than 200

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The object of the attack was clearly to disrupt or destroy the peace agreement reached by leaders of both communities and overwhelmingly approved in May referendums in Northern Ireland and in the Irish Republic, to the south.

Brenda Logue, friends and relatives said, seemed happy Saturday morning as she came in from the countryside to this usually calm, well-scrubbed town in the hills of central Ulster.

After days of mist and rain, the sun had come out.

Brenda and her mother, Mary, strolled by the fountains and exhibits of the annual town festival. They went into a household goods shop on Market Street, full of weekend shoppers.

Brenda, 17, had a job prospect on a mushroom farm. She was a good Gaelic football player. "Bubby," one neighbor said of her. "Just an ordinary teenager."

Brenda left the shop while her mother, who was lightly injured in the attack, stayed inside. She was, her friends and relatives said, looking forward to life.

"She had a sense of humor," said Mr. MacAnespie, who had offered her a job on his farm. "She was bubbly."

Mr. MacAnespie, a local councillor of Sinn Féin, the IRA's political wing, said he could not understand the attack, apparently by a Catholic group.

"They say they want to unite Ireland," he said. "Is this the way to unite Ireland? It may have been the way long ago, but that was has been tried, and it failed."

■ 2 Spaniards Among the Dead

Several children and two Spanish nationals were among the victims, news agencies reported. The Spaniards were the first foreigners to be killed in the sectarian violence.

Three generations of the same family died in the blast — a grandmother, her daughter, who was pregnant, and an 18-month-old girl.

The police gave a breakdown of the dead as 14 female adults, 3 female children, 5 male adults and 4 male children. Two others were unidentified.

More than 100 people were still hospitalized, receiving treatment. Eleven of them were in critical condition.

"A 65-year-old grandmother, her 30-year-old daughter, in an advanced state of pregnancy, and a 1½-year-old baby are among the dead," a police spokesman said.

Three young boys from Bunkrana in County Donegal aged between 8 and 12 are among the dead," he added.

"A 24-year-old woman and a 12-year-old boy from Madrid are also among the dead. In addition we have 11 Spanish nationals still in hospital suffering from a variety of injuries."

Avril Monaghan, 30, her daughter Maureen and mother, Mary Grimes, 65, were on a shopping trip to Omagh when the massive car bomb went off.

Ms. Monaghan was survived by her husband, Michael, and two daughters — a son. The oldest of the surviving

Monaghan children is 6 years old. The Roman Catholic Primate of All Ireland, Archbishop Sean Brady, visited the Grimes family Sunday afternoon and said they were "totally devastated."

"They are just so shocked," the archbishop said.

With several residents still missing Sunday, soldiers used heat-detecting equipment to determine whether more bodies lay hidden in collapsed buildings.

In the rubble on Market Street were shattered windows, tipped-off roofs, and collapsed walls. Children's diapers were scattered amid fallen glass, bricks and wood planks. A mangled and fire-blackened stroller rested near the carcass of the car bomb. Tatters of school uniforms littered the roadway like autumn leaves.

Anti-air buildings and pavements stained with blood remained despite an incessant downpour. (Reuters, AP)

IRAQ: From Defector, an Inside Look at Baghdad's Drive to Build a Nuclear Bomb

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cause he was frustrated that Mr. Saddam is still obstructing international inspections and deceiving the West. U.S. officials said they did not authorize or encourage Mr. Hamza to speak publicly, but they have confirmed many elements of his account.

Until now, Mr. Hamza's defection has been a closely guarded secret. A 1995 article in The Sunday Times of London and a 1997 book by Andrew and Leslie Cockburn included detailed accounts of his alleged kidnapping and assassination by Iraqi secret agents.

In fact, his escape from Iraq is a remarkable spy yarn that almost went awry. According to former and current intelligence officials, the CIA initially rebuffed Mr. Hamza's appeals to defect to the United States.

He spent a year in Libya before the agency realized its mistake and agreed to resettle him and rescue his family from their home in central Baghdad.

Years before Iraq's 1990 invasion of Kuwait turned the country into an in-

ternational pariah, many of its nuclear-related purchases were made with the blessing of the International Atomic Energy Agency. The UN agency assumed that Iraq was amassing the technical know-how for a peaceful power program and did little to investigate. The inspectors, Mr. Hamza said, never asked even basic questions, "like why an oil-rich country like ours wanted nuclear power?"

Hans Meyer, the spokesman for the monitoring agency, denied that it had ignored warning signs that Iraq was trying to build a bomb. "Our inspections were very tough," he said "but under the rules of the Nuclear Nonproliferation Treaty, we were only permitted to inspect the facilities that Iraq had declared."

Despite such easy purchases, Mr. Hamza said, the program was beset by almost constant setbacks — the mysterious killings of senior Iraqi nuclear scientists traveling in Europe, corruption, technical blunders and vicious bureaucratic feuds among Iraqi scientists seeking to generate bomb-grade en-

riched uranium. But Mr. Saddam had an uncanny knack for turning such crises into opportunities, he said.

After Israel bombed Iraq's reactor in 1981, the Iraqi leader created the first completely independent, clandestine weapons program, most of which remained hidden from Western inspectors for nearly a decade. Liberated from having to march in lock step with its peaceful cover, the nuclear weapons program staff grew from 400 to 7,000, Mr. Hamza said. And its budget soared.

At a time when Iraq's bloody war with Iran was draining the country's resources, nuclear scientists were insulated from the economic ravages.

The weapons program was allotted as much as \$150 million a month, Mr. Hamza said.

The scientists were expected to produce results, and in one crucial aspect of the program, they had little to show. Despite years of effort, they had failed to produce the enriched uranium that is an essential component in an atomic weapon.

When Hussein Kamel, Mr. Saddam's ambitious son-in-law, took over the nuclear program in 1987, Mr. Hamza said he helped him unmask a team of scientists who were falsely claiming success in enriching uranium.

Mr. Hamza was immediately named Iraq's director of weapons programs. "I went to the palace," he said, and "emerged with a new car and the title of a director-general."

He said Mr. Kamel had ordered him to find a nuclear bomb trigger while other scientists pursued at least five different methods of separating uranium to make bomb-grade fuel. Mr. Hamza said that he had purchased a trigger in Poland, which did not work well, but that other Iraqi scientists developed a workable trigger in Iraq.

U.S. intelligence officials knew little of the Iraqi effort, in part because the enrichment program relied on a technique abandoned by the United States after the World War II Manhattan Project some 40 years earlier.

"They never put two and two together," Mr. Hamza said.

ARREST: Suspect Is Seized in Pakistan

Continued from Page 1

hin Laden to the bombings. But they indicated that this was the first potential link to Mr. bin Laden, whom the Federal Bureau of Investigation and the Central Intelligence Agency have suspected from the start was a key figure in the bombing plot. American officials have cited him since the early hours of the investigation.

Pakistani government sources said authorities detained Mr. Howaida after noticing that his face did not match his passport photo while he was trying to travel to Afghanistan. Several foreign newspapers said he eventually confessed to the bombings after "intense questioning."

If Pakistan has, in fact, been holding the man since Aug. 7, and U.S. officials still think he is worth a trip back to Nairobi, that could suggest that he is a serious suspect, experts said. But they also noted that after nine days in Pakistani custody, where most American legal niceties do not apply, a suspect might be tempted to confess to anything.

"We all know what 'intense questioning' means," said Vincent Cannistraro, a former head of the CIA's counterterrorism unit. "It means he might not have any toenails left."

U.S. officials warned that it was still too early in the investigation to jump to conclusions about guilt or innocence.

"We don't want to get too excited until we make sure we're on the right track," one law enforcement official said. "We're not sure of anything yet." They also said there was still no hard

evidence linking Mr. bin Laden or his agents to the bombings. But they have noted that the nearly simultaneous explosions in Nairobi and Dar es Salaam were carried out by sophisticated terrorists. Mr. bin Laden's network has the financial resources and the organization to have been behind it, the officials said.

Another group suspected by the United States is the Cairo-based Islamic Jihad, which is also financed by Mr. bin Laden, American officials said.

The son of a wealthy Saudi family that made its money in the construction business, Mr. bin Laden is thought to have been involved in the bombings of two U.S. military installations in Saudi Arabia. But for lack of evidence, the United States has never issued an arrest warrant.

Mr. bin Laden lived for a time in Sudan. He is said to live in Afghanistan now, under the protection of the Taliban, the fundamentalist Islamic group that controls most of the country.

Law enforcement officials said that Mr. bin Laden had become the subject of an intense internal discussion at the FBI over whether the New York office should take jurisdiction of the bombing case away from the Washington field office, which has jurisdiction over crimes against Americans in Africa.

President Bill Clinton, in an address videotaped for broadcast overseas, said that the Kenyans and Tanzanians killed in the bombings "were important to America because we cherish our friendship with your peoples." At least 247 people, including 12 Americans, were killed in Nairobi and 10 Tanzanians died in Dar es Salaam. More than 5,000 people were injured. (AP, NYT, WP)

CONGO: Both Sides Get Ready to Battle for Kinshasa

Continued from Page 1

critical to the outcome since the war's start two weeks ago.

In recent days, Congolese officials and knowledgeable foreign businessmen have said that Angola has been providing heavy air cargo support to the Congolese Army and has also promised to make available to Mr. Kabila a group of several thousand longtime Congolese exiles, who are veterans in Angola's two prolonged civil war.

Mr. Kabila would undoubtedly like an even more dramatic Angolan intervention, such as the use of its powerful air force, which was decisively deployed in June in support of a protagonist in a civil war in Brazzaville, capital of the neighboring Congo Republic.

According to African diplomats in this region, Angola disapproves of Rwanda's second armed intervention in Congolese politics in as many years,

feeling that the east African country is destabilizing the region. It is unclear, however, if Angola, whose relations with Mr. Kabila have been uneasy, will commit its forces in his favor.

Mr. Kabila's advisors maintained an air of striking confidence Sunday, despite what would appear to be a dire situation.

"We are not without friends too, and the Rwandans risk learning that at their expense," said one of Mr. Kabila's senior associates. "We have begun getting weapons from a lot of places. We have air transport now, and we have lots of men. If we can survive the next couple of days, this will turn into a debacle for the enemy."

Mr. Kabila's adviser's timetable seemed to cooccur with recent rebel claims that insurgents would take Kinshasa as early as Tuesday.

In apparent anticipation of a final push around then, Washington closed its embassy here Saturday for the first time ever in this country's turbulent history.

Foreigners Flee Congo as Rebels Push On

Agence France-Presse

KINSHASA, Congo — Hundreds of foreigners were fleeing the strife-torn Democratic Republic of the Congo on Sunday, aided by troops from several European countries, as rebels warned that they were closing in on the capital.

While the results of fighting for control of the key town of Matadi, 350 kilometers (220 miles) south of the capital, Kinshasa, remained unclear, a top aide of President Laurent Kabila expressed surprise at the abrupt departure

of foreign nationals.

"I don't see why they're all going at the same time," the official, Zidouye Yeroia, said on television. "If they know something we don't know, maybe they could tell us."

A French civilian plane bound for Paris was carrying 168 of those foreigners. Two French military planes and a civilian aircraft arrived in Libreville, Gabon, carrying a total of 261 foreign nationals, mostly French. More evacuation flights were planned.

The unusual U.S. action has only heightened anxieties among the remaining foreigners and Congolese alike, of an unprecedented battle for Kinshasa. Perhaps inadvertently, it also highlighted the almost total lack of high-level international diplomacy around this country's crisis.

Washington and much of the West seemed to approve of a previous Rwandan-led intervention here that overthrew the longtime dictator Mobutu Sese Seko and placed the little-known Mr. Kabila in power in May 1997.

With a similar Rwandan operation under way now, however, much of the outside world seems to have washed its hands of the situation, neither strongly condemning a foreign-sponsored uprising in Africa's third largest country, nor supporting Mr. Kabila, or even insisting on a cease-fire.

The government's frantic preparations for a final siege came as the rebels too, perhaps sensing their imminent victory, began cobbling together a political organization, which they named the Congolese Rally for Democracy at a news conference at their provisional eastern capital of Goma.

The organization is composed of political dissidents, former senior fig-



A girl attending a Catholic mass Sunday in Kinshasa, where fighting is feared imminent.

ures from the Mobutu era and politicians who are known to be close to the leaders of Rwanda and Uganda, both of which have sponsored Mr. Kabila's earlier uprising.

"We have called it a rally because we want to bring together all the Congolese, all of the forces fighting against dictatorship that are determined to eradicate its roots once and for all," said a leader, Ernest Wamba dia Wamba.

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Charade in Iraq?

From the start last February there was reason to fear that UN Secretary-General Kofi Annan's deal with Saddam Hussein was nothing but a charade. Saddam would pretend to let United Nations inspectors do their jobs, and UN inspectors would go through their motions. Stacked by cumbersome new rules, and without the benefit of military pressure, they would find nothing. This arrangement would allow the United States to disassemble its armada in the Gulf without embarrassment. It would also allow Saddam Hussein to maintain his capability to field biological, chemical and nuclear weapons.

But, likewise from the very start, the Clinton administration roundly dismissed such suspicions, insisting instead that UN inspectors would now be better placed than ever to do their work. So it is doubly shocking to learn, six months on, that the Clinton administration may have been not only an accomplice in the creation of a charade but, offstage, a leading player — in a role that, given its duplicity, would make the United States more culpable in some ways than those countries, such as China and Russia, that have overtly undermined the UN inspection regime.

We are referring here to news, reported sketchily in *The Times* of London and in alarming and well-documented detail by Barton Gellman of *The Washington Post* (A17, Aug. 15), that the Clinton administration secretly intervened for months to dissuade UN inspectors from carrying out surprise visits to suspicious sites. As long as the

inspectors were providing ample warning to Iraq and were carrying out their mission unimpeded by large contingents of diplomats and Iraqi officials — as long as they had no chance of success, in other words — the administration had no complaints. But when the UN team proposed taking action that might actually uncover evidence of Saddam Hussein's illicit weapons programs, the administration urged it to desist. And all the while the administration presented itself publicly as the most fervent champion of aggressive inspections.

What could account for such deceit? Maybe the administration truly believed that the inspectors would be more successful if they remained, for a longer time, more circumspect. Maybe, less charitably, the administration just didn't want to face the consequences of an active UN search; maybe if more evidence of nuclear, biological or chemical weapons were found, the requisite response would be just too difficult, politically, diplomatically and militarily.

We can only speculate; administration officials so far have provided nothing but unhelpful noncommittal denials, acknowledging "consultations" with UN inspectors but saying they never issued explicit orders. Well, no one has alleged that they did; given the inspectors' political need for U.S. support, none would have been necessary. If ever a foreign policy matter called for congressional inquiry, it is this alleged practice of deceitful diplomacy.

—THE WASHINGTON POST

Afghan Despotism

A medieval nation may arise from the rubble of modern war in Afghanistan. The Taliban movement, which seeks to return Afghanistan to the fundamentalism of its ancient villages, is winning military victories that have brought it close to uniting the fractious nation. Afghanistan needs a central authority and an end to the warlordism that has terrorized its people. If the Taliban provide it, the world will be tempted to normalize relations with them. But the Taliban must remain isolated until they end their own totalitarian policies.

The Taliban have promised that when the war ends they would relax their harsh edicts, which scholars say have no basis in the Koran. This pledge should be encouraged but not trusted. War conditions did not cause the Taliban to bar females from education and work, or require a close male relative to chaperone a woman any time she leaves home.

A new study by Physicians for Human Rights shows these policies' effect in Kabul, where Taliban rule is the most severe. The study found that while men can still get decent medical care, hospitals and wards for women lack basic equipment. Male doctors may see only chaperoned women and may not examine their bodies. Most female doctors have been dismissed, and women reported lying in hospital beds for days without seeing a doctor. After 20 years of war, Kabul is a city

of widows. The rules are particularly hard for these women. They cannot support themselves because they can no longer work, and even bread supplied by aid groups must go to men. Women who go out alone risk beatings by the religious police.

The study underscores how little humanitarian aid reaches the most vulnerable. The Taliban and the outside world are at odds over the strictures that the movement is placing on relief groups, which were expelled last month for defying a Taliban order to move into an isolated compound with no electricity or water. The United Nations announced an agreement last week allowing the groups to return, which does little to change Taliban rules that effectively deny women food, health care and education.

Other nations may now move to normalize relations with the Taliban, and the United Nations may be inclined to award a victorious Taliban Afghanistan's UN seat.

Oil and gas companies are also waiting for peace to begin building Caspian Sea pipelines through Afghanistan. The California company Unocal is part of a consortium that will bid on the gas pipeline, and last year it paid for part of a trip by Taliban leaders to the United States.

These financial and diplomatic rewards should be withheld until the Taliban end their cruel policies.

—THE NEW YORK TIMES

Swiss Settlement

Switzerland's commercial banks have finally agreed to pay fair compensation to Jewish Holocaust survivors and their relatives. The \$1.25 billion settlement agreed to last week covers money that the banks retained from accounts of Nazi-era Jewish depositors and profits made from handling Nazi gold and lending money to German companies employing Jewish slave labor.

Regrettably, the Swiss government, whose central bank also made large profits from trafficking in gold that the Nazis looted from their victims, neither contributed to nor endorsed the settlement. Even so, the agreement provides that the Holocaust survivors and their families who brought this case will pursue no further lawsuits against the Swiss government or Swiss industrial companies on these issues.

Frightened by the rise of Hitler, European Jews in the 1930s and early '40s entrusted their savings and other assets to the banks of neutral Switzerland. But Swiss banks betrayed that trust after the war. With most of the original depositors dead or dispossessed, the banks treated these Jewish accounts as dormant, retaining the

money in them rather than repaying it to survivors and family members.

A commission headed by Paul Volcker, the former U.S. Federal Reserve Board chairman, has been reconstructing the records of these accounts. Swiss banks had already committed themselves to pay back all reconstructed accounts in full, at present value, after the Volcker report was complete. Recognizing that only a fraction of the accounts would ever be tracked down, the banks also offered to contribute a further \$600 million to a "rough justice" account.

But no settlement was reached until last week, when the banks, under pressure from threatened financial sanctions by local governments, including those of New York City and New York state, agreed to combine their previous offers into a single fund, increase the size of the package and begin payments right away.

The settlement shows that people who have been grievously wronged by history can achieve a measure of belated justice, provided they fight for it persistently and live long enough to collect what they are owed.

—THE NEW YORK TIMES

Prevent a Kosovo Catastrophe Before It's Too Late

By Sadako Ogata

The writer is the United Nations High Commissioner for Refugees.

GENEVA — Today, while thousands of international officials supported by 35,000 soldiers from the NATO-led Stabilization Force safeguard a fragile peace in Bosnia and Herzegovina, another corner of the Balkans, a mere few hundred kilometers away, is on fire. I call for an immediate cessation of hostilities followed by a fair political settlement to stop the bloodshed in Kosovo. In a few weeks it may be too late.

The burning towns and villages in Kosovo and the many thousands of terrified people on the run bring back the chilling memories of the early stages of the war in Bosnia. We simply cannot allow another Bosnia to happen, since this could engulf and destabilize the entire southern Balkan region, causing new immense suffering and fresh waves of refugees.

My agency estimates that the conflict has driven up to a quarter of a million people out of their homes, with some 170,000 displaced within Kosovo alone. In addition to helping the displaced in Kosovo, my agency, the International Committee of the Red Cross and other aid agencies are dealing with 13,000 Kosovo refugees in Albania and another 30,000 in Montenegro.

More than 10 percent of Kosovo's

population is now displaced. The fighting has left hundreds of people dead.

Aid agencies scramble to bring aid to terrified refugees scattered in isolated pockets around western and central Kosovo who lack food, shelter and medicine. Many areas in western and central Kosovo have now become depopulated. Plumes of smoke rise from Kosovo's "ghost towns." Fields are deserted at harvest time.

Thousands of desperate people are crammed into tiny hamlets, with often more than 100 in one house in unbearable conditions. Elsewhere, thousands camp out in the woods and hills of Kosovo without access to food and fresh water, too fearful to move.

The assurances given by the Yugoslav authorities that the attacks will stop ring hollow. An emerging pattern of destruction of property, crops, livestock and farming equipment casts doubt on recent declarations that their operations have a limited aim.

The situation invokes the specter of the Bosnia war, when humanitarian agencies braved countless obstacles trying to bring humanitarian aid to be-

sieged enclaves. We must prevent a similar scenario in Kosovo.

Humanitarian agencies are doing all in their might to save lives, as was done during the three and a half years of the Bosnia war, and they will continue to do so. Virtually every day my agency, the Red Cross and other organizations' convoys with urgent supplies reach those affected by the fighting from Malisevo and Orshovac to Srebica, Kosovska Mitrovica and Prizren, often going into areas which only just stopped being battlefields.

Aid workers in Bosnia took huge personal risks. We are prepared to take similar risks in Kosovo to help the people we serve. But to do our work we need at least minimum security and stability.

In Kosovo, unlike Bosnia, we do not have international military escorts for our convoys. We need additional coverage to have unhindered and reasonably safe access to those in dire need of help who cannot be reached.

We must also receive the necessary resources. Unless we get adequate funding soon, we will not be able to deal with the current crisis in the months ahead. The United Nations' emergency appeal for funds launched in early June brought only \$6.7 million

out of the \$18 million asked for — in other words, only one-third of what was urgently needed. We are about to launch a new appeal to secure crucial funding for the winter months. That must be obtained!

We must help not only those who lost their homes but also those who so generously agreed to host them, be it in Kosovo, in northern Albania or in Montenegro. These regions, which have taken the brunt of the Kosovo exodus, are among the poorest in Europe and cannot handle the influx for much longer without outside help.

At the same time, we have to remember one important lesson learned in Bosnia: Humanitarian aid must not become a substitute for political action.

With the onset of cold weather, what today can be described as a humanitarian disaster in the making will become a full-scale catastrophe. Thousands could perish unless a workable political solution is found immediately.

More than a month ago, the Contact Group, at a meeting in Bonn, urged immediate cessation of hostilities in Kosovo. It must be made a reality now.

We must also ensure that the painful lessons of Bosnia are not ignored and that the progress in that country is not derailed by a new Balkan catastrophe.

International Herald Tribune

To Salvage Northern Ireland, Isolate the Extremists

By Tom Gallagher

BRADFORD, England — After the Omagh massacre, democratically elected leaders in both islands need to show that they have the resolve to drain the sectarian poison which is choking the life out of Northern Ireland.

Thirty years of atrocity piled on atrocity has never produced one speech in the House of Commons or the Irish Dail, by a politician upholding shared living over tribalism, that future historians will say is worthy of Edmund Burke, Gladstone or Lincoln. Instead it is the apostles of hatred and unreason who remain the high ground through their malign eloquence.

On Saturday evening, instead of offering statesmanship, Tony Blair and his Irish counterpart, Bertie Ahern, sounded like dazed victims in a traffic accident, offering platitudes that just increase the demoralization and panic of ordinary people.

Mr. Blair should have used the legitimacy he acquired in his landslide victory on May 1 last year to issue a mission statement pointing out what values Ulster needs to acquire if it is to enjoy the protection of British democracy; Mr. Ahern in Dublin should have said something similar. The citizens of Northern Ireland need to be reminded of the values of tolerance and compromise that have made Britain and the Irish Republic democracies which can earn respect in the world.

Mr. Blair and his Northern Ireland secretary, Mo Mowlam, have striven hard to make a fragile peace process work, but they have failed to grasp that the extraordinary nature of Northern Ireland requires unprecedented measures to relaunch it as a society in which it pays to be moderate and reasonable.

A British prime minister loses credibility when he spends weeks agonizing about tribal marches, allowing backwoodsmen to be received in Downing Street to promote their religious supremacist views.

It is clear that Ulster's crazy marching cycle has all but wrecked the peace process and removed inhibitions against the plotting of mass murder by its most bloodthirsty citizens. The state needs to reassert its authority by making marchers pay for their extremism.

Instead of the mainland taxpayer footing the colossal security bill, it is the officeholders responsible for a march who should pay. If need be, Orange Order dignitaries should be made to forfeit their businesses and even homes to pay for the resultant disorder.

Similarly, Dublin and London should lean hard on Republicans who mawkishly insist on commemorating long past examples of British oppression to desist for

a lengthy period if they are really committed to peace. The surviving victims of the Warrington, Enniskillen and Birmingham bombings don't march in protest at the way their lives were ruined. What makes Bloody Sunday in Derry so different?

After Omagh, if Republicans expect to retain their good standing in the world, they should root out the militarists whose addiction to violence is leaving a trail of smashed bodies.

To combat Republican rejectionists, a new law ought to be devised that allows life sentences, with no remission clauses, for criminals who conspire to kill indiscriminately with explosives.

An uninhabited island in the Outer Hebrides might be placed under joint British-Irish sovereignty, and there terrorists from both parts of Ireland would be incarcerated for an indefinite period. Building an Alcatraz for sectarian murders would be a signal to the world of the degree of contempt in which the murderers are held.

Similarly, a law to ensure easier convictions against members of the security forces accused of murder is needed, and efforts to make the police more welcoming for Catholic recruits need to be stepped up.

In the South, the woefully inefficient police force needs to be modernized so that it can be

more effective against not just terrorism but also the drug barons who plague parts of Dublin.

But a new approach to security will not work unless it is matched by efforts to transform Northern Ireland society.

Britain has shown boldness by adopting tough measures to combat job discrimination. Other steps to pull sectarianism up by the roots suggest themselves: tax breaks for parents who send their children to shared schools; preference in state employment for children who graduate from such schools; tax breaks and other concessions for businesses which take active steps to enhance community relations in their localities.

Tax as a carrot needs to be backed up by tax as a stick. One of the reasons why the peace process has languished is that the middle class in and around Belfast has shirked its duty to take a lead in public affairs.

Civil servants and members of the security, insurance and leisure industries enjoy affluent lifestyles thanks to the subsidies that continue to flow into the province. The yachts moored along Ulster's "Gold Coast," the rows of BMWs parked at golf clubs and the numerous direct flights from Belfast to exotic holiday destinations are the perks of solid citizens who often do not bother to vote or else support well-tailored sub-

urban extremists like the UK Unionist Party.

It should not be beyond the ingenuity of a tax lawyer to introduce laws for Northern Ireland that tax owners of delapheous cars, members of expensive golf and yacht clubs, devotees of regular foreign holidays, and businesses that profit from the troubles. That way the wealthier members of the middle class could show how British they are by helping the uncomplaining mainland taxpayer to get rid of the mess in Ulster that they avert their gaze from.

Northern Ireland is Britain's No. 1 problem. The rest of the world recognizes this hot the United Kingdom still does not.

The broadcasting media in Britain are casual and careless in the way they interview Republican ex-gunmen, religious bigots and intransigent politicians. Broadcasters should be given special training (starting with knowledge of Ulster affairs, which many don't have) so that their interviewees find it an ordeal equivalent to meeting the victims of their violence or hate speech.

Inhibitions about showing the bloody carnage left after bombings should be removed, so that viewers of the main news programs are no longer anesthetized from the effects of the Ulster troubles.

Ulster is a beautiful place and has many moral giants among ordinary folk who have stood up to be counted in the name of peace. But it also has a larger minority ready to slaughter their neighbors, given the opportunity, than anywhere else in Europe including Bosnia.

The present power-sharing arrangement holds out some hope, but it will work only if accompanied by a process of social engineering as profound as that which the Allies carried out in West Germany after 1945. Make no mistake about it: Ulster is a far sicker place than Germany was after a dozen years of Nazi power. Two hundred years of institutional bigotry have made sure of that.

Unless Mr. Blair and Mr. Ahern roll up their sleeves, it will be hard to prevent this bleeding ulcer from contaminating life in the rest of Ireland and perhaps eventually in parts of Britain, too.

The writer holds the chair of ethnic peace and conflict at Bradford University. He contributed this comment to the International Herald Tribune.

A Human Hand in the Yangtze Flooding

By Lester R. Brown and Brian Halweil

WASHINGTON — The floods in the Yangtze River basin, the worst in 44 years. Official figures indicate that more than 2,000 people have drowned and 13.8 million have been driven from their homes.

Crops have been destroyed on 4.5 million hectares, 3 percent of China's total cropland. Industrial output has suffered as factories have had to shut. The transportation of goods and people has been disrupted. The overall effect on China's economy will be felt for many months.

Floods during the monsoon season in southern China are a regular occurrence. There is a human hand in this, in the form of deforestation and intensive land development.

The Yangtze basin is home to 400 million people. To understand the population pressure in eastern and southern China, where most of the country's 1.2 billion people live, imagine squeezing the entire U.S. population into the area east of the Mississippi River and then multiplying it by five.

With such a density of population, the human pressure on the land is intense.

The Yangtze basin has lost 85 percent of its original forest cover. The forests that once absorbed and held huge quantities of monsoon rainfall, which could then percolate slowly into the ground, are now largely gone. The result is much greater runoff into the river.

The construction of buildings and roads in the basin is increasing at a staggering pace. With the average household in China consisting of fewer than four people, a population of 400 million means 100 million housing units. And land hunger is forcing more and more homes to be built on the river floodplain.

The extent of factory construction also defies the imagination. There is no precise data on the size of the industrial workforce in the basin, but a rough estimate would be at least 50 million. With the average factory in the private sector employing fewer than 100 people, this means half a million factories.

Each factory needs a warehouse for storage of the raw materials coming into the factory and for the finished products while they await shipment. Each factory must have a road connecting it with the rest of the country.

Collectively these homes and factories cover a vast area, further reducing the capacity of the land to absorb rainfall.

At the global level, the human influence on the floods is less direct but no less real. The global temperature during the first seven months of this year was the highest of any comparable period on record. The margin of increase over the previous record is itself a record.

The month of July was the warmest month since records began in 1856.

Higher temperatures mean more evaporation, more intense storms and more rapid snow melt. All three could be contributing to the floods.

While there is no way of conclusively linking global warming with specific weather events, the likelihood that they are linked has grown with each passing year in which higher temperatures are accompanied by more extreme weather events. That higher temperatures mean more evaporation is certain. And when more moisture goes up, more comes down.

Where it comes down is less predictable, but the Yangtze basin may well be one of the areas getting some of the additional rainfall.

Another likely effect is more intense monsoons — the results of seasonal warming over the continents as summer unfolds. As temperatures climb over the land, the air rises, pulling moisture-laden air from the oceans inland. The higher the temperature over land, the stronger the monsoon.

Higher global temperatures are also leading to increased snowmelt. We don't know for sure whether the temperature has risen this year in the snow-covered regions that feed the

upper Yangtze, but given the dramatic rise in the global average in recent months, it probably has.

We can expect even worse floods in the years ahead. If the basin adds another 100 million people, as projected, in the next few decades, China will need to build another 25 million homes.

As industrialization continues at a rapid pace, factory and road construction will also continue, further reducing the area of land that can absorb water and increasing the amount that will ultimately flow into the Yangtze.

With the international community unable to agree on a meaningful effort to reduce carbon dioxide emissions, rising atmospheric levels of this greenhouse gas promise even higher temperatures in the future with the potential for more evaporation, more rainfall and even stronger monsoons.

Over centuries, the Chinese have developed a remarkable capacity for shoring up dikes and protecting themselves from flooding. For example, 1.6 million troops have been mobilized in recent weeks to help protect the dikes and to move people out of areas being flooded. Literally millions of civilians are involved in this enormous human effort to contain the Yangtze.

Despite this effort, the Chinese have had to make difficult decisions. To save major industrial cities, such as Wuhan, they have had to open floodgates upstream, flooding local areas once they were evacuated. When open floodgates do not release enough water, workers are dynamiting holes in the dikes.

More than half a million people have been evacuated from areas that either have been flooded or may be flooded in the effort to save major cities.

China deserves a lot of credit for the capacity it has developed to deal with flooding. But even this is likely to be overwhelmed in the future as human activities, both local and global, increase the sheer volume of water flowing into the river.

With the region so densely populated, there is simply no place to put additional water, except where people already live. Future evacuations are likely to dwarf those up until now.

The 400 million Chinese living in the Yangtze basin are beginning to feel directly the effects of altering the environment. Other countries with rapid population growth can now see the consequences of waiting too long to stabilize population.

This should be a warning to the international community to begin working together to lower greenhouse gas emissions before climate change affects even more people.

Mr. Brown is president and Mr. Halweil a staff researcher at the Worldwatch Institute, a nonprofit research organization based in Washington that analyzes global environmental and development issues. They contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Manila Won

MANILA — The Stars and Stripes now float over Manila, which is in the hands of the Americans. The first shot was fired from the flagship Olympia at 9:40 a.m. and a white flag was shown at 1:30 p.m. Not a single portion of the city proper has suffered from the cannonade. The Spaniards engaged numbered 2,800, but their losses are not yet known. The American casualties appear to have been very slight.

In every respect the advantage was on the side of the attack. The American field guns threw heavier metal and had longer range, and the marksmanship of the United States gunners was much superior to that of the Spaniards. Worn out by a battered days' siege, dispirited by the failure to arrive of the promised Spanish relief squadrons, they had lost heart in this hopeless struggle.

1923: U.S. and Mexico

MEXICO CITY — Representatives of the United States and Mexico have signed the agreement which will result in the recognition of the Mexican Government by the United States. This was done at the conclusion of the conference which has been sitting for thirteen weeks ironing out the differences between the two countries, especially in regard to the confiscatory law which took over American property in the oilfields. The American delegates have left for Washington to submit the agreement to President Coolidge.

1948: 'The Babe' Dies

NEW YORK — Babe Ruth, baseball's immortal "King of Swat," died tonight (Aug. 16) of cancer in the Memorial Hospital. The Babe had been ill for two years and sank rapidly in the last two weeks.

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HEALTH/SCIENCE

STYLE

When Speech Is Cut Off
New Uses for Implants to Repair Vocal CordsBy Erin St. John Kelly
New York Times Service

NEW YORK — Jean Morris is a woman with an easy laugh and a gift of gab. She was also a lifelong smoker until she was diagnosed with emphysema. A little over a year ago, in April 1997, in an operation to reduce some of her diseased lung tissue, her left lung collapsed. The procedure to repair it left her permanently unable to speak above a whisper.

"That's frustrating, because I have some things to say," said Ms. Morris, a 67-year-old registered nurse.

Doctors have long been trying to give people their voices back. In the 19th century, Victorian physicians attempted to do it with electrical stimulation. In the 20th century, ear and throat specialists, otolaryngologists, have treated the voiceless with a variety of what they call laryngoplasty phono surgeries — operations to make vocal cords work again.

For the future, Steven Zeitels, a surgeon at the Massachusetts Eye and Ear Infirmary in Boston, sees a return to electricity in the form of tiny pacemakers helping the vocal cords to open and close normally. He is now performing pioneering operations to restore the voice without implants by manipulating the cartilage in the throat. But implants are still widely used and some researchers are expanding the ways they are used.

Among them are two doctors of otolaryngology at the Johns Hopkins University School of Medicine in Baltimore, Charles Cummings and Paul Flint. They refined a procedure with new instruments and implants that enabled Ms. Morris to be heard and to be herself again.

On March 31, Dr. Flint put a newly available implant, made of a calcium-based synthetic bone material, in Ms. Morris's throat. The implant, called a Vocom, or vocal cord medialization, holds the cord closed when not in use and adds bulk to weak cords, improving both a patient's voice and swallowing function.

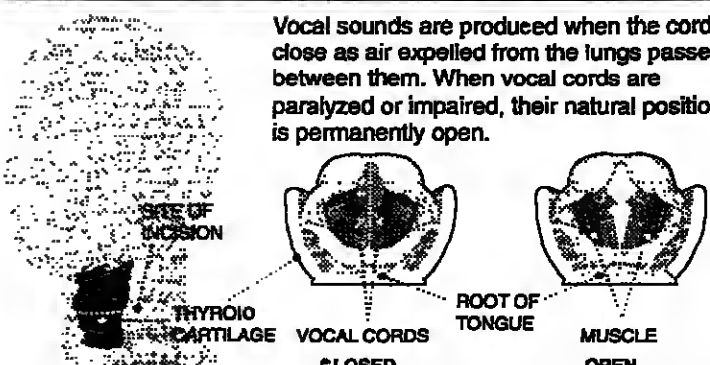
When vocal cords are severed or impaired, their natural position is open, and that means they are unable to trap air, which in turn creates difficulty in breathing, exercising and eating. When a person swallows, the vocal cord closes and protects the airway, but when it is open permanently, a person is at risk of choking — even on his or her own saliva.

In 1938, doctors began to repair such damage by injecting Teflon paste into the vocal cord to bulk it up and close it. But, Dr. Cummings said, that was an imprecise method, irreversible, unadjustable and unstable. It also could be rejected by the body and lead to in-

Restoring Lost Voices

A throat implant made of hydroxylapatite, a calcium-based synthetic bone material, can make speaking and swallowing easier for someone with throat damage.

HOW THE VOCAL CORDS WORK



Sources: Johns Hopkins Medical Institutions; American Medical Association; Encyclopedia of Medicine.

NYT

flammation or infection. Next came a solid form of silicone in a rubberized tube. With this procedure, still widely used, the surgeons whittle the tube to fit the waiting patient. But, Dr. Cummings said, "There was a need to have a better solution."

Dr. Cummings, who is the chairman of otolaryngology surgery at Johns Hopkins Hospital, and Dr. Flint have devised a set of instruments and implants in five different sizes, allowing for a faster, more predictable operation, they said.

The device is put into the throat through an incision off the center of the neck below the Adam's Apple while the patient is awake. The doctor inserts different sizes until the patient is satisfied with her voice. Ms. Morris said she told Dr. Flint "to keep going until I sonned like Celine Dion."

Christy Ludlow, a speech and language pathologist at the National Institutes of Health, said the devices are for patients who do not recover spontaneously from nerve damage. "They can restore very good voice function," she said. "If someone was previously a singer, they won't return to being a singer, but they will have a voice adequate for communication."

The United States Food and Drug Administration approved the manufacture and marketing of the Vocom throat implant late in 1997, but during the year Dr. Cummings and Dr. Flint said they performed as many as 100 procedures with their implants as part of a clinical

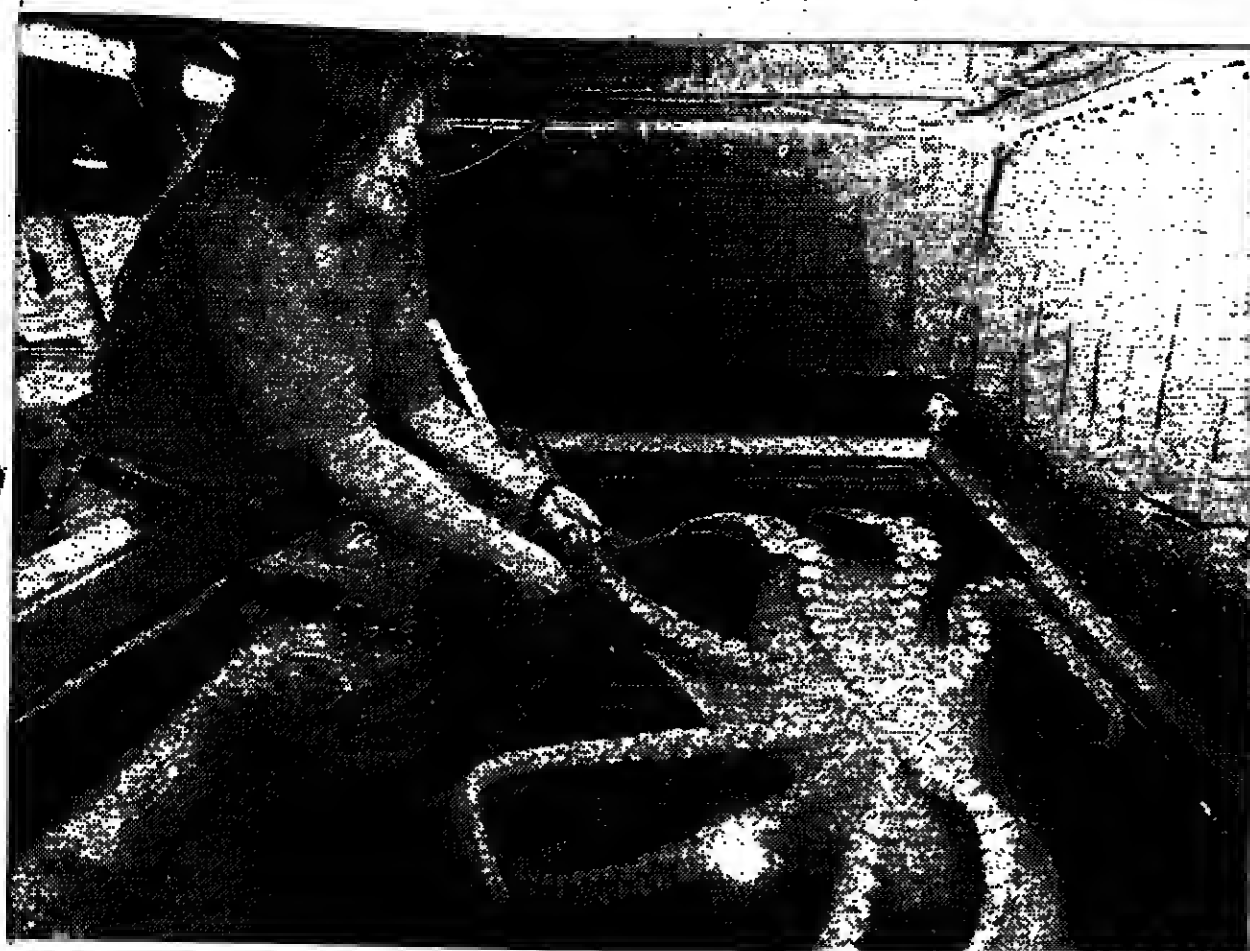
trial that involved two other hospitals, Columbia Presbyterian in Manhattan and the University of Wisconsin.

The implants have also been available in Europe since 1994, said Brad Beale of Smith & Nephew, the Memphis company that makes the five sizes of implants. "It is difficult to know the ultimate potential for it, but 12,000 to 15,000 patients are having a procedure like it yearly," Mr. Beale said. He would not say how many had been sold, but said, "I can say it has been very successful in Europe."

THE sized implants, however, have not won universal acceptance in the field. Clark Rosen, a spokesman for the American Academy of Otolaryngology and director of the University of Pittsburgh Voice Center, said, "The real question is: Is everyone's larynx and everyone's vocal cord problem fixable with five easy implants?"

"The human body," he added, "is more complicated than that. It's three dimensional." Dr. Rosen used the cube, which he whittles to fit each patient. "When I carve my implants, I can customize in three dimensions," he said. But the more important factor, regardless of the implant used, Dr. Rosen said, is having an experienced specialist perform the procedure. "That's how you're going to get the best results," he said.

As for Ms. Morris, she is speaking well and pleased with the results. "I have a lot of things to do yet," she said, "and I need to talk to do them."



Carrie Reidel, a keeper at Washington's National Zoo, with one of her favorite invertebrates.

Can an Octopus Have Fun? Maybe

By Natalie Angier
New York Times Service

NEW YORK — When you pet a cat, the cat purrs. When you pet an octopus, the octopus pets you back.

O.K., maybe it doesn't quite pet. It loops a limb around your hand, and it explores you. And at first you jump, and then you laugh, and then you practically yodel with joy, for the sensation of an octopus fondle is unlike anything you have sensed before. Its flesh is slippery and silky, like the inside of your cheek, or a spoonful of flan. And arrayed in pairs along the underside of its eight arms are its extraordinary suckers, the animal's way of knowing the world.

An octopus has 1,200 or more muscular suckers, and each one can move independently, sucking and plucking and nuzzling at an object like a tiny infant mouth rooting at his mother's breast. "Watch out for your rings!" Carrie Reidel warned. "Ms. Reidel is a keeper at the Invertebrate House of the National Zoo in Washington, home to the giant octopus now engaged in an act of hominid-cephalopod groping. She hovers over the tank, a long pole at the ready. Sometimes the octopus sections hard enough to leave behind a mark."

Today the octopus, a 2-year-old, 30-pound male of the species *Octopus dofleini*, is in a gentle, languid mood, and he soon releases his mesmerized guest. As he swims off, his limbs snake around him like the scarves of Chinese dancers, the membranes between them billowing into a translucent orange parachute.

An octopus is an invertebrate, a mollusk, oo less, and thus in the same taxonomic category as clams, oysters and snails. Yet the octopus stands head and multiple shoulders above other invertebrates in its capacity to elicit human affection and fascination.

Visitors to the National Zoo express their admiration with boos, sighs and aahs, and a comparative disdain for other creatures in the vicinity, even the tarantulas. Keepers at aquariums and zoos say they will name their octopuses,

a thought that never crosses their mind for the anemones or the fish — and did the Beatles ever write a song about a trout? The ancients revered octopuses: The Minoans painted them on vases 3,500 years ago, while the early Hindus may have used them as inspiration for depictions of such poly-limbed gods as Siva and Vishnu.

Most smitten of all are octopus biologists, who never tire of their subject, never question their career choice and never hesitate to draw attention to the beauty and sophistication of the octopus.

Some will talk about how clever the octopus is, "the most intelligent invertebrate in the world, there's no denying it," said Roland Anderson, a biologist at the Seattle Aquarium.

How smart is smart? Smart enough to want to have fun.

In July, Jennifer Mather, an associate professor of psychology and neuroscience at the University of Lethbridge in Canada, reported at the Animal Behavior Society annual meeting that octopuses engage in play behavior, a mark of relative mental complexity and normally considered the province of young mammals. But Dr. Mather described her observations of an octopus in an aquarium that deliberately took a bottle over to the current of water in its tank, watched it float along the current, and then brought it back to do the same thing again and again.

"It just isn't play behavior," she said, "I don't know what it is."

The octopus also has real personality. Dr. Mather and Mr. Anderson recently described their laboratory studies suggesting that octopuses come in at least three different temperamental humors: passive, aggressive and paranoid. Working with the red octopus, a small species found off Seattle in Puget Sound, the researchers repeatedly tested 44 individuals under 19 defined circumstances — for example, how each octopus reacted when somebody opened its tank and looked in, how it responded to a "threat" in the form of a touch with a bristly brush, and how readily it pounced on proffered prey like a crab.

Some of the octopuses attacked the brush, and grabbed the crab immediately upon seeing it. Those subjects the researchers labeled aggressive. Others cringed from the brush and would wait until they were alone, after nightfall, to eat their crabs — the passive ones. Still others, the paranoids, would respond to a threat by letting out a burst of ink and jetting away. Each animal was consistent in its behaviors from one round of testing to the next.

"We feel strongly that octopuses have personalities," Mr. Anderson concluded.

OCTOPUS biologists love octopuses even though they are notoriously hard to study in the wild, and even though there is little financial support for their passion. None of the 100 or so described species of octopus is thought to be in danger of extinction, and so the field lacks the cachet of eco-consciousness. Nevertheless, biologists love octopuses living — and dead.

Janet Voight of the Field Museum in Chicago has a lab full of pickled octopuses in jars, specimens dredged up from oceanic depths of two miles or more by submersible vehicles. She dissects each rubbery corpse delivered to her, seeking to determine if it is a familiar species or an entirely new one.

She and others suspect that there are at least as many octopus species out there to be discovered as are already described. Dr. Voight also watches hour upon hour of videotape taken by cameras aboard the submersible vehicle Alvin, of ghostly octopuses creeping along the moonscape floor of the sea, or near the thermal vents. She is trying to understand how the biology and behavior of deep-water octopuses differ from what is seen in their cousins closer to shore. "Look at that, look at that!" she said, pointing excitedly to the video screen. "It's doing a breast stroke! I don't know if I've ever seen another octopus do that." She turns sheepish. "I'm like a parent with videos of my babies, aren't I?"

"There's something magical about them," Dr. Voight said of the octopuses. "They remind us of ourselves."

LANGUAGE

Hashing Out the Court's Language

By William Safire

WASHINGTON — Justices of the Supreme Court may hand down the final word on the law, but they cannot offer the final word on the words. That's for all of us to hash out (cf. *Marbury v. Safire*).

In concurring with the court's decision to refuse to hear a case brought by unendowed "performance artists" against the National Endowment for the Arts, a testy Antonin Scalia took aim at the language of the statute controlling that federal agency.

The law reads: "Artistic excellence and artistic merit are the criteria by which applications are judged, taking into consideration general standards for decency and respect for the diverse beliefs and values of the American public."

Scalia took a bead on the portion of the law I italicized. That, he wrote, "is what my grammar-school teacher would have condemned as a dangling modifier. There is no noun to which the participle is attached."

Could it be that our lawmakers erred in their draftsmanship? Yes. The solipsistic solons, in choosing to modify the first part of that sentence, should have recast it to provide a subject anchor. "Judges should judge applications using the criteria of artistic excellence and artistic merit, taking into consideration, etc." Scalia's grammar-school teacher, whose strict constructionism apparently influenced the future jurist, was correct.

Later in this decidedly grouchy concurrence, Scalia directed attention to the meaning of a participle properly connected to a noun in the First Amendment: "Congress shall make no

law... abridging the freedom of speech..." (Law is the noun that is being modified; abridging, the participial modifier.)

"To abridge is 'to contract, to diminish; to deprive of,'" wrote the justice, giving as the source for that definition "T. Sheridan, a Complete Dictionary of the English Language (6th ed. 1796)." He went on to opine that denial of taxpayer subsidy was no abridgment of speech, but the question to lexicographers is: Why did a justice in 1998 use a 1796 dictionary? Can't the court afford a new one?

Answer: In examining the Founders' intent, you are wise to use the definitions they turned to at the time. In 1789, when James Madison drafted the Bill of Rights, Noah Webster had not yet produced an American dictionary. A school dictionary was in print that had no authority in terms of meaning, but the great, authoritative Samuel Johnson dictionary did not cross the Atlantic until 1813 in its 11th edition.

"Scalia, or whoever did the research for him," says Fred Mish, editor in chief of Merriam-Webster, "chose from a group of four dictionaries from that period available here, all British, that all focused on pronunciation: John Entwistle's, William Perry's, John Walker's and Thomas Sheridan's. Sheridan was an Irishman and a stage actor (as was Walker) and probably based his work on his stage elocution."

Today, *abridge* still has a sense of "diminish," but its primary meaning is "shorten, condense." The meaning of "deprive" is now considered archaic, but that is what the Founders had in mind. They may have found it in the dictionary at hand, which was primar-

ily concerned with pronunciation, not meaning. More likely, they took its sense of "constrain" from the works of John Locke, popular with Constitution writers and later cited by John-son: "The constant desire of happiness, and the constraint it puts upon us, no body, I think, accounts an abridgment of liberty...."

If you think that's spitting hairs, at least it deals with what to some of us is the most important word in the Constitution. Turn now to the lengths to which Justices Stephen Breyer, writing for the majority, and Ruth Bader Ginsburg, whose dissent was joined by William Rehnquist, David Souter and Scalia (presumably still thumbing his Sheridan), went in debating the meaning of a fairly common verb: *to carry*.

In *Muscarello v. U.S.*, the issue was whether the phrase *carries a firearm* meant only "bears on your person" or could be interpreted to mean "transports in the trunk or glove compartment of your car." The broader construction meant jail for the defendant.

Only the 26th definition of *carry* in the Oxford English Dictionary, wrote Breyer, was directed to the special meaning that the defense used to narrow the meaning of the law: "to bear, wear, hold up, or sustain, as one moves about; habitually to bear about with one."

In the opinion handed down by the Supreme Court of the United States, "the word 'carry' in its ordinary sense includes carrying in a car and that the word, used in its ordinary sense, keeps the same meaning whether one carries a gun, a suitcase, or a banana."

New York Times Service

IN BRIEF

A Gene's Defect and Breast Cancer

NEW YORK (NYT) — Scientists at the University of North Carolina have made an important discovery about how defects in one of the two breast cancer genes, BRCA1, raise the risk of the disease: They leave cells without the normal ability to correct certain mistakes that commonly occur in their genetic machinery.

Scientists and experts elsewhere say the finding has potentially important clinical implications for people known to carry the defective gene in their cells. On the one hand, it could result in more effective treatments for hereditary breast cancer. It could also lead to a test that would predict which of the women and men who carry the defective gene are most likely to develop cancer. On the other hand, the new understanding raises questions about starting at a young age to do regular mammograms in women who inherit the defective gene.

The new information, reported in Friday's issue of the journal *Science*, will add to the understanding of how cancer starts and what might be done to prevent it.

Meteorite Doesn't Contain Signs of Life

LITTLE ROCK, Arkansas (AP) — Scientists were mistaken when they thought a potato-sized rock found in Antarctica held evidence suggesting that life existed on Mars at one time, according to three papers in a journal about meteors.

One article in *Meteoritics and Planetary Science*, published at the University of Arkansas, says non-Martian rocks showed the same "evidence" of life. The other articles say temperatures were too high for nanobacteria to form and leave organic evidence in the rocks and crannies of the 4.5 billion-year-old rock. The rock, Allan Hills 84001, is the oldest of 12 known meteorites that are thought to have been jolted from the Martian surface with a glancing blow about 15 million years ago and then to have landed on the Antarctic ice sheet about 13,000 years ago.

Severed Thumb Is Regrown From Cells

WASHINGTON (WP) — Doctors at the University of Massachusetts Memorial Medical Center have performed experimental surgery to replace the missing end of a man's thumb, using the patient's own bone cells, specially grown in a laboratory, to form a replacement bone.

Although surgeons frequently use pieces of a patient's bone as grafts during spinal and orthopedic surgery, the operation at the Worcester, Massachusetts, hospital Friday represents the first time that a laboratory-grown bone replacement, made of living cells combined with an artificial "scaffold," has been implanted into a human being.

The bone implant was developed by Charles Vacanti, chairman of the department of anesthesiology at the University of Massachusetts Medical School. John Shuffelbarger, a hand surgeon, inserted the implant.

Many Doctors Ignore Euthanasia Guides

CHICAGO (AP) — Doctors who help patients end their lives frequently fail to consult with other physicians and sometimes don't even involve the patient in the decision, a new study has found.

The study, carried out at the Center for Survey Research at the University of Massachusetts and published last week in *The Journal of the American Medical Association*, reported that of 355 cancer specialists surveyed, only 10.7 percent reported a case of either euthanasia or physician-assisted suicide.

Supporters of euthanasia and physician-assisted suicide have proposed three primary safeguards for terminally ill patients: The patient must initiate and repeat the request, the patient must be evaluated by another physician and the patient must be in extreme physical pain. Slightly more than a third of the doctors who reported a case said they adhered to all three guidelines. But in 15.3 percent of the cases, the patients were never involved in the decision. In those cases, the families had asked to end the patients' lives. More than 60 percent of doctors who had a case said they did not consult another physician.

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U.S. MUTUAL FUNDS

Figures as of close trading Friday, August 14

[illegible]

This table shows the performance of Haverstock mutual funds through Friday and includes the top 4,000 funds in terms of assets. There are roughly 5,150 funds currently listed on Nasdaq.

Group names are shown in bold face, with individual fund names in each group indented below. Funds that are not part of a group are not indented.

MAY is the net asset value, i.e. the portfolio value divided by the number of shares outstanding, as reported by the fund through Nasdaq. NAV excludes all sales or redemption charges. Change shows the dollar move the previous Friday.

Name field footnotes: c - available only through a contact plan; n - no front-end load or contingent deferred sales load; p - fund assets are used to pay distribution costs; r - redemption fee or contingent deferred sales load may apply; l - footnotes p and l apply.

Asian Crisis: Catalyst for Change or Catastrophe?

Benefits for U.S. and Europe, for Now

Unclear Path as Market Forces Churn

By Carl Gewirtz
International Herald Tribune

By Sandra Sugawara
Washington Post Service

PARIS — Despite the daily expressions of fear about how instability in emerging markets might spread some kind of financial distress in many developing countries as well as Japan continues to be nothing less than a windfall for the United States as well as for Germany and some of its neighbors.

It remains to be seen whether the impact remains beneficial, but last week — amid a run on the Russian ruble and a speculative attack on the Hong Kong dollar — long-term interest rates in the United States fell to lows not seen since 1968 while German and French rates fell to post-war lows.

Interest rates are a key tool governments use to manage their economies. Sustained low interest rates are a fundamental condition needed for a healthy economic performance. Low interest rates are a spur to businesses and individuals to borrow money that, when spent, fuels economic growth. It is through government's control over the cost of borrowing money that supply and demand sets interest rates throughout the maturity spectrum. Logically, the overnight cost sets the base from which all other rates are scaled up — forming what is called an upward sloping yield curve.

Extraordinarily, the U.S. curve is now down-

ward sloping. The cost of overnight money, set by the Federal Reserve Board, which meets Tuesday to review its policy, is 5.5 percent. Actual market rates currently range from 5.02 percent for three-month money to 5.4 percent for 10-year funds. Only 30-year Treasury bonds, now yielding 5.54 percent, sit atop the cost of overnight money.

According to David Greenlaw at Morgan Stanley, this is only the eighth period of yield-curve inversion in the United States since 1955. The other seven, he notes, all occurred due to the market's temporary inability to keep up with dramatic changes in the Fed's administered rate. The consensus view is that the Fed will keep its key interest rate unchanged at this week's meeting.

"History doesn't offer any guidance in assessing where we go from here," Mr. Greenlaw added, noting that interest-sensitive sectors are already booming — "home sales are at all-time records, and capital spending is expanding at a double-digit pace."

In Germany, the slope of the curve is still positive with the Bundesbank's overnight rate at 3.3 percent and the yield on the government's 10-year bond at 4.47 percent after setting a midweek record low of 4.44 percent. Analysts are now debating how long it will take for the yield to fall to 4.25 percent.

See RATES, Page 13

TOKYO — Hidetaka Ishikawa, a Japanese cement company executive, slumps forward and sighs. "We never thought it would be this bad or go on this long," he says.

The yearlong economic crisis in Asia, coupled with the seven-year slump in Japan's own economy, has brought most construction work to a halt. Major customers of Nihon Cement Co., Mr. Ishikawa's employer, are cutting back purchases. "We feel powerless to do anything about it," he says.

When currency traders forced Thailand to devalue its currency last summer, Mr. Ishikawa took note. But he was more preoccupied with the opening of his company's new plant in China, which was to produce cement for the booming Chinese and South Korean markets. Now, of course, the South Korean economy has collapsed and China's is slowing.

"I almost wish we could get rid of that plant, but of course we can't," Mr. Ishikawa says. Cement plants are not hot items in this depressed market.

At this juncture, it is unclear whether the brutal global market forces that are hammering most of Asia are almost over or just beginning. Among some of the region's most experienced investors, two widely divergent views are emerging about

what shape a new Asia will take.

Some believe that Asia, which still has a phenomenal savings rate, a highly skilled and disciplined workforce and a modern infrastructure, will emerge stronger than ever. They say the economic crisis may well be the catalyst for sweeping away political, financial and industrial systems that served the region well at a time when it was evolving from an exporter of sugar cane, textiles and cheap toys to a major manufacturing exporter, but now does little for the region's competitiveness.

Already, several Asian nations are enacting banking reforms and opening their markets to foreign investments, triggering an inflow of foreign capital. Wal-Mart Stores Inc. and Metropolitan Life Insurance Co. recently announced big deals in South Korea, and General Electric Capital Corp. has made several major acquisitions in Japan.

Mark Mobius, the outspoken, emerging-markets portfolio manager for the investment company Franklin Templeton, has been investing heavily in the region since last fall. "One thing you notice traveling around is that there is a tremendous infrastructure in these countries — bridges, roads, telecommunication systems, power systems. They're ready for the next takeoff," said Mr. Mobius, who is based in Hong

See CRISIS, Page 13

Russia Tries To Rebuild Confidence

No Ruble Devaluation, Kiriyenko Aide Asserts

Compiled by Our Staff From Dispatches

MOSCOW — The Russian government sought to reassure investors on Sunday that the financial situation was under control, despite growing speculation that Moscow might have to devalue the ruble to meet its obligations.

"There's no fire, there's no tragedy," said Konstantin Voitsek-hovich, spokesman for Prime Minister Sergei Kiriyenko. He also reiterated the government's pledge to keep the ruble stable and avoid a devaluation.

The assurances come as the State Duma, or lower house of Parliament, prepares to meet this week to consider taking up revenue-raising measures it failed to adopt in July.

A \$22.6 billion loan package, pledged by international lenders last month, is tied to Russia's ability to boost revenue and narrow the budget deficit.

Mr. Kiriyenko discussed the nation's finances Saturday with the Bank of Russia chairman, Sergei Dubinin, the finance minister, Mikhail Zadornov, and Anatoli Chubais, Russia's chief negotiator with international lending agencies, the Interfax news agency said.

Both Mr. Dubinin and Mr. Chubais cut short their vacations to return to Moscow to deal with the financial crisis.

Reports that the Group of Seven leading industrialized nations were discussing additional aid to Russia helped the benchmark RTS stock index rise 13.7 percent on Friday after plunging to a 27-month low the previous day.

George Soros, the billionaire American investor who is active in the Russian market, appeared to back away from comments last week that Russia should devalue the ruble.

Speaking on Moscow's Echo Radio, Mr. Soros said he envisaged a monetary committee linking the ruble to a stable currency like the dollar.

"For every ruble in circulation there should be an equivalent of strong currency backing it up," he said.

The creation of such a system could mean an initial fall of the ruble's value by between 15 and 20 percent, but it would then stabilize.

The financier denied that he was trying to profit from a devaluation of the ruble and said that a letter of his, published in the Financial Times last week advising a 15 to 25 percent devaluation in the ruble, had been misinterpreted.

He said he had no interest in the devaluation of the ruble, adding that his own investments in Russia could be hit by such an action. "I acted in the interests of Russia," he said, adding he was "vexed" by accusations that he had been seeking to provoke a financial crash. (Bloomberg, AFP)

Hyundai Strikers Vow to Fight On

But Desperate Air Hangs Over Tents at Company Compound

By Don Kirk
International Herald Tribune

ULSAN, South Korea — An air of quiet desperation hangs over the plastic and vinyl tents lining the streets inside the main compound here of Hyundai Motor Co.

Housewives lead workers in song, and vans with loudspeakers cruise the streets announcing the news of the next rally. Children scamper in the shadows of idle assembly plants, and fight slogans are painted on walls and streets.

In future groups outside their tents, the men who helped the company produce more than a million vehicles last year, explain why they have "virtually" taken over the compound and will not let the company make another vehicle until management agrees to their demands.

"We are fighting for life," Kim Jong Myung said Sunday, more than a month since July 13, when the assembly lines here produced their last vehicles. "We think the responsibility for suffering lies with the company, but the company doesn't suffer. They blame the union members."

The standoff intensified over the weekend with the repeated refusal of both union members and management to change their positions.

For the 28,000 union members, the

issue is simple: Shorter work weeks, yes, lower wages, maybe, but layoffs, never.

The management position is just as plain. With sales during the current economic crisis down to 45 percent of last year's level, it is necessary to lay off 1,500 workers while accepting "voluntary retirements" from more than 6,000 others and giving two-year furloughs to another 1,000 or so.

"Most of the workers are for us," said a Hyundai spokesman, Lee Byung Ho, in the company headquarters across a square from the nearest workers' tents. "More than 20,000 of us are rallying on Monday to show the strikers are in a minority."

In a company that was roiled by strikes almost annually during the early part of this decade, the current showdown appears more intense than the strikes of years gone by. The difference is that hundreds of women and children now live in the tents, ready, say the women, to join in lines of defiance, breathing tear gas and taking body blows from thousands of policemen poised to drive them from their temporary homes.

"Yes, we are afraid of the police coming in," said Lee Young Ja, mother of three children aged two through four, sharing a tent with 100 others between a cafeteria and a supply building. "But if our husbands lose their jobs, that's also a way to die."

Given the alternatives, she said without hesitation, "We may as well fight to the end until the police come in."

The prospect of such a showdown has thoroughly shaken the government of President Kim Dae Jung, who earlier this year engineered a "tripartite agreement" under which union leaders, managers and government officials would come to terms on the need for layoffs in a time of economic turmoil.

Sunday night, a deputy minister of labor, Ahn Young Su, arrived in an 11th-hour bid for compromise. "The labor union says there is no truce, even one person cannot be laid off," Mr. Ahn said. "We asked the union to collect opinions through the night. We will wait until Monday morning for anything to change." He denied that he was presenting an ultimatum.

Down the street, the leader of the union watched his followers from a platform atop a scaffolding made of iron pipes erected on one of the Hyundai buildings. Inside the building, a union spokesman said the leader would hold out through any police attack. "If there is a police raid," he said, "the union's attitude is we will fight to the death."

Hyundai's president, Park Byung Jae, with glasses, is prevented from entering the plant.



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"If there is a police raid," he said, "the union's attitude is we will fight to the death."

■ Companies Have Bad First Half

South Korean companies suffered their worst-ever earnings in the first half of this year, with their combined balance sheets plunging into the red for the first

time, Agence France-Presse reported Sunday from Seoul, quoting government officials.

In the six months ending on June 30, 543 firms listed on the Korea Stock Exchange posted combined net losses of 13.67 trillion won (\$10.3 billion), the first setback in six-month company results.

The amount was also far bigger than last year's year-end losses of 4.5 trillion won.

Union Strikes US West After Bargaining Fails

Compiled by Our Staff From Dispatches

DENVER — US West Inc. was struck early Sunday by the union representing 34,000 clerical and technical workers after weeks-long contract talks failed, prompting the company to bring in 15,000 management employees to maintain services to 25 million telephone customers.

Jeff Miller, a spokesman for the Communication Workers of America, said that despite intense last-minute bargaining, negotiators were unable to reach agreement on forced overtime, health benefits and the company's plan to link pay to performance.

US West Inc., the nation's sixth-largest phone company, said union employees walked off their posts Sunday after negotiations over a five-year wage and benefits package failed. The CWA represents more than half of US West's 51,000 workers.

The latest strike in the U.S. telecommunications industry comes as companies are cutting costs to boost returns and compete in a consolidating global market. Bell Atlantic Corp., the largest U.S. telephone company, and its CWA local union representing 73,000 workers came to a contract agreement last week after a two-day strike.

US West said it expected some interruptions to service. Local and long-distance communications were unlikely to be affected, it said. (Bloomberg, Reuters)

CYBERSCAPE

As Web Sites Track Users' Habits, Privacy Advocates Wince

By Saul Hansell
New York Times Service

NEW YORK — Some of the largest commercial sites on the World Wide Web have agreed to feed information about their customers' reading, shopping and entertainment habits into a system developed by a Massachusetts company that is already tracking the moves of more than 30 million Internet users, recording where they go and what they read, often without the users' knowledge.

The agreement calls for the participating Web sites to track their users so that advertisements can be precisely aimed at the most likely prospects for goods and services.

But while this system guarantees the anonymity of individual users, the underlying technology disturbs privacy rights advocates, who have long worried about the growing ability of on-line companies to collect and store personal data about people who use the Web.

Many individual Internet services have begun to amass detailed records of who uses their sites and how they use them. But this new industry cooperative represents the most ambitious effort yet to gather disparate bits of personal information into a central database containing digital dossiers on potentially every person who surfs the Web.

Participating sites will include the Lycos-Tripod site, which was visited by 14.8 million people in July, according to Relevant Knowledge, a market research firm, and the GeoCities virtual community of more than 2 million personal Web sites that attracted 14.2 million visitors last month.

The system's proponents extol its promise for delivering precisely directed, sometimes personalized, ads. For example, an Internet user who looks up tourist information about England on a travel site in the network might be fed ads for airlines flying into Heathrow Airport and for hotels in London as he checks sports scores.

"If someone comes to your bookstore the first time, you can find out if they are interested in mountain climbing, organic gardening and tennis; you can present them books related to their interests immediately," said David Wertheil, the chief executive of the company behind the Internet system, CMG Information Services of Andover, Massachusetts.

In addition to a few large sites, CMG has attracted a host of smaller participants like NBC Videoseeker and Ticketmaster. CMG's system and a dozen other similar efforts under development are rooted in the same marketing needs that have prompted direct-mail companies to assemble mailing lists using nearly every publicly available scrap of information on people, from their auto registrations to their vacation habits.

But while mailing-list companies are limited to identifying people for mailing lists by broad interests — for example, subscribers to fishing magazines — Internet-based systems can find a person who reads articles about fishing even if the Web page he is visiting is part of a general news or recreation site.

The Internet systems can also tighten their focus by, say,

spent time reading about deep-sea fishing.

Mr. Wertheil argues that CMG's system, known as Engage, protects people's privacy in ways that mailing-list companies never can. In particular, he says, Engage does not record the name, street or e-mail address or credit-card numbers of the people it profiles.

Instead, it places a unique identifying number on the computer hard drive of every person who visits one of the participating sites. That way the system can keep track of all the sites visited by that computer, regardless of the identity of its user.

"We took the highest road you could possibly take with respect to privacy," Mr. Wertheil said. "We think you can learn a lot more about someone from their behavior than from their name and address."

Moreover, a user can choose not to have his or her surfing observed, by visiting the company's Web site (www.engage.com) and selecting an option that will remove the identification number from the user's computer.

Users can also set their Web browsers not to put any cookies on their computers, but this can complicate access to some sites.

Some privacy advocates agree that Engage's promise of anonymity could help protect Internet users from hackers and commercial or government snoops.

"The big long-term concern about privacy is the surreptitious compilation of every site you click, every page you download, every product you order into a single database," said Marc Rotenberg, the director of the Electronic Privacy Information Center in Washington. "Anonymity is like solar energy. It's a way to produce what you want without the unpleasant byproducts."

Yet Mr. Rotenberg and others also say they are concerned about whether Engage and all the participating sites will strictly maintain this promise of anonymity.

"Engage has done many good things to protect privacy, but my worry is they are firing the starting gun in the race for the bottom," said Jason Callett, the president of Junkbusters Corp., a privacy consulting firm in Green Brook, New Jersey. "The worst actors will be left to use the most sophisticated surveillance techniques as they please."

Indeed, last Thursday, in the federal government's first enforcement action to safeguard privacy on the Internet, the Federal Trade Commission accused GeoCities of selling personal information about its members. GeoCities said it did nothing wrong, but changed its notification to members about how data about them would be used.

It is not illegal for Internet services to sell personal information about their customers, and there are few laws protecting consumers' privacy in cyberspace. The Clinton administration's policy is that businesses engaged in electronic commerce should police themselves.

Yet there have been several recent instances in which companies have either lied outright to their customers or otherwise failed to live up to their own rules.

the chance to shield their actual identities behind pseudonyms known as screen names. But the U.S. Navy recently forced the retirement of an 18-year veteran, Master Chief Petty Officer Timothy McVeigh, after a customer-service representative for America Online violated the company's policy and identified Mr. McVeigh to a Navy investigator as the owner of a screen name with marital status listed as "gay."

In order to avoid such problems, CMG executives said they would not track some on-line behavior that could be especially sensitive.

"We decided to avoid sexual preferences, adult content and medical information, because they are controversial," said Daniel Jaye, the chief technical officer for Engage.

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NOTICE TO ALL UNITHOLDERS

Effective September 2, 1998, Articles 2, 5, 6, and 10 of the Management Regulations will be amended to reflect the following changes:

- Article 2 will be amended in order to give the Management Company the right to decide whether the fees incurred by information services, consultants or other services she has requested, will be borne by the Fund or the Management Company itself.
- Articles 6, 10, 19 to specify that any subscription, redemption or conversion application has to be received at the Office of the Distributor or Transfer Agent. Each investor may however subscribe, redeem or convert units of the Fund without using the services of the Distributor or Transfer Agent, by sending an application to the Fund.

Moreover, Article 19 includes that in case conversion requests would lead to a significant volume of redemptions in any single portfolio on any Dealing Day, the Management Company may apply a conversion fee of up to 1% of the net asset value per unit in favour of the portfolio from which the conversion is requested and/or decide to defer part or all conversion requests in the same manner as described for the redemptions. This amendment will take effect one month after the date of this publication. Until that date the unitholders may redeem their units free of charge.

The Investment Objectives of the Citimarkets Global Equity Fund and the Citimarkets Global Emerging Markets fund have been amended to allow investments in Russia. The investments in Russia are limited to 10% of the total net assets of the respective portfolios and this limit includes direct investments and any other unquoted securities and securities dealt on unregulated markets. A revised Sales Prospectus will reflect these changes.

CITIMARKETS S.A.

Handwritten text in Arabic script, likely a signature or stamp.

CAPITAL MARKETS ON MONDAY

Investors Bank on Treasuries as the 'Place to Be' as Yields Test New Lows

NEW YORK — Bond market bulls say the rally that pushed yields on benchmark 30-year U.S. Treasuries to a record low of 5.54 percent on Friday is not over.

"Treasuries are obviously the place to be," said Michael Moloney, who manages more than \$1 billion at Boston Partners Asset Management. "They'll most likely be the best-performing asset class for the foreseeable future."

As the economic turmoil in Asia and Russia spreads through global financial markets, it is likely to curb growth in the United States and drive interest rates lower, analysts said.

"The domestic economy means absolutely nothing these days" to bond buyers, said Michael Ferrara, vice president of interest-rate trading at Swed-Bank in New York. Asia will become less of a factor and Eastern Europe will

grow in importance, he said, adding, "It's more Russia getting worse than Asia getting better."

Gwen Wagner, economist at T. Rowe Price in Baltimore, agreed. "The market seems to be focused not so much on the

U.S. CREDIT MARKETS

domestic economy as on foreign economies," she said.

Investors piled into Treasuries last week, sending yields to record lows, as the Japanese recession deepened and speculation grew that Russia might devalue its currency or default on debt payments.

"If you pull back the drapes, it's a mess outside," said David Jallits, who helps manage about \$5.5 billion in fixed-income assets at Strategic Fixed-Income in Arlington, Virginia. Long-term yields

could fall to 5 percent, he said.

Last week, the yield on the benchmark 30-year bond fell 6 basis points, to 5.54 percent, the lowest since the government began regular sales of the securities in 1977. An investor who bought the bonds at last week's \$10 billion auction has already realized a gain of about \$7.50 per \$1,000 bond. Treasury bonds have returned about 9.2 percent so far this year, when price gains and coupon payments are included.

The bond market had little trouble absorbing the \$37 billion of notes and bonds the government sold this week.

"Interest rates are falling as more and more money moves into the safe haven," said David Kotok, who oversees about \$500 million in bonds at Cumberland Advisors in Vineland, New Jersey. "I believe we're going to see more of it."

The rush to Treasuries is not the only ingredient that bond bulls say will push interest rates lower. As economies around the world slow, the soaring consumer confidence that helped fuel the eight-year U.S. economic expansion is bound to return to earth.

The University of Michigan's index of consumer sentiment fell to 104.5 points in mid-August from 105.2 in July, according to people with access to the study. The index is based on 100, set in 1996.

Concern about slower growth and waning corporate profits is also shaking up the stock market. If the stock market worsens, corporate spending may drop.

"The linchpin may be the equity market," said Mr. Jallits of Strategic Fixed-Income. "We got a taste of that in the past couple weeks."

Strong underlying consumer demand and a robust employment market are keeping the Federal Reserve Board from lowering rates, even though there are few signs of inflation on the horizon, analysts said.

The consumer price index rose 1.7 percent in the 12 months through June,

below the subdued 2.3 percent pace a year earlier.

Most forecasters expect Fed policymakers to keep interest rates steady for an 11th straight meeting when they gather on Tuesday. The Fed last changed the target for overnight lending between banks, known as the federal funds rate, in March 1997, increasing it by a quarter of a percentage point, to 5.5 percent. The Fed has not left rates steady for this long since before it turned to the federal funds rate as its main tool for monetary policy after the stock market crash of 1987.

Not all investors are convinced that the rush into Treasuries is a harbinger of even lower interest rates.

"The knee-jerk response is to go to safety," said Tom Seay, who manages about \$400 million at Gradsen-McDonald Asset Management in Cincinnati. Once that flight slows, the strength of the economy and concern about faster inflation may drive interest rates higher, he said.

The economy slowed to a 1.4 percent annual growth rate in the second quarter from a 3.5 percent first-quarter pace,

reflecting weak demand for goods from Asia and a buildup in business inventories. Yet consumer demand, as measured by a 3.9 percent jump in final sales, remained robust.

Most financial market indicators suggest there is little expectation for a federal funds rate change anytime soon. The three-month Eurodollar futures contract expiring in December recently yielded 5.62 percent, not far from the 5.69 percent rate on three-month borrowing. That is a sign that investors do not expect rates to be much different when the contract expires in mid-December.

But one indicator suggests that investors think the Fed's next move will be a rate cut. Six-month bill yields have been below the federal funds rate since December 1997. In the past, bills have yielded less than the fed funds rate when the central bank was cutting rates or was expected to cut them.

"The market is saying that fed funds are going lower," Mr. Kotok said. "The minute the Fed starts to ease, the bond market will see a massive rally."

(Bloomberg, Market News)

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Aug. 14. Prices supplied by Telekurs.

Risk Name Cpn Maturity Price Crd Yld

Austrian Schilling

142 Austria 5 01/5/08 101.9000 4.9100

143 Austria 5 01/5/07 113.6300 5.5000

Belgian Franc

220 Belgium zero 10/29/98 91.1774 3.5700

British Pound

108 Fomale Moe 6 06/07/02 100.8750 4.8200

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Risk Name Cpn Maturity Price Crd Yld

French Franc

148 France 4 07/12/03 100.8200 4.6600

201 France OAT 5 04/25/08 104.2000 5.6400

217 France BTAN 4 07/12/00 106.1300 4.6600

Italian Lira

110 Italy 9 02/01/99 102.3100 9.2900

204 Italy 9 07/01/99 103.3600 7.9800

222 Italy 12 05/18/99 105.2300 11.4000

Japanese Yen

234 Exim Bk Japan 4 14/01/03 114.6600 2.7700

Polish Zloty

140 World Bank zero 03/29/98 1.2650 1.6000

Spanish Peseta

205 Spain 6 01/01/98 108.5900 5.5900

Swedish Krona

127 Sweden 6 02/09/03 104.9850 5.6100

135 Sweden 10 05/05/00 109.4700 9.3500

217 Sweden 4 10/25/96 111.2200 5.8900

U.S. Dollar

3 Brazil 5 04/15/04 85.2011 5.8300

13 Argentina FRN 6 03/29/95 84.7997 7.8100

21 Russia 12 04/24/98 76.8900 16.7700

23 Venezuela 9 07/15/97 94.4624 13.2900

28 Russia 10 07/15/97 95.4287 13.9800

30 Brazil L FRN 6 04/15/04 79.7043 8.2100

32 Mexico 11 03/15/98 113.8957 10.1000

33 Russia 9 07/15/97 94.4624 13.2900

35 Venezuela FRN 6 12/01/95 46.4908 14.2500

39 Brazil FRN 6 01/01/01 67.4042 10.1000

42 Russia 11 07/15 61.5907 7.9900

44 Venezuela FRN 6 12/18/97 74.5900 8.9700

53 Brazil FRN 6 04/15/02 86.2900 9.7500

64 Argentina par L 5 03/31/03 74.5900 7.7200

66 Korea 6 04/15/98 92.9426 9.5600

68 Argentina 11 01/01/97 101.5170 10.5900

69 Brazil 9 07/15/97 94.4624 13.2900

70 Tele Brazil FRN 5.83 07/31/00 90.8373 5.9700

98 Russia 11 07/15/97 94.4624 13.2900

99 Russia 9 07/15/97 94.4624 13.2900

104 Mexico B 6 12/31/91 82.2292 7.6900

113 Brazil FRN 6 04/15/02 74.6200 8.8900

121 Brazil FRN 6 04/15/02 74.6200 8.8900

124 Brazil L FRN 6 04/15/02 74.6200 8.8900

134 Italy 4 05/29/98 100.6595 5.9500

136 Mexico A 6 12/31/91 82.2292 7.6900

144 Mexico FRN 5.83 07/31/00 90.8373 5.9700

154 Ecuador FRN 3 01/01/97 104.0000 9.9900

156 Argentina FRN 6 04/15/02 86.2900 9.7500

157 Mexico 9 07/15/97 94.4624 13.2900

164 World Bank 5 08/09/98 99.8231 5.9900

167 Spain 5 07/29/98 99.7100 5.9900

169 Brazil FRN 6 04/15/02 74.6200 8.8900

171 World Bank 5 03/17/93 99.7500 5.6400

172 Korea 6 04/15/98 92.9426 9.5600

173 Venezuela par A 6 03/31/03 74.5900 7.7200

179 Core 1998 FRN 5 01/01/04 100.8750 4.8200

181 ECU 5 04/25/08 103.6000 4.7700

182 Argentina FRN 6 03/29/95 84.7997 7.8100

191 Bulgaria FRN 6 07/28/01 71.2500 8.9900

192 Bulgaria FRN 6 07/28/01 71.2500 8.9900

193 Bulgaria FRN 6 07/28/01 71.2500 8.9900

194 Bulgaria FRN 6 07/28/01 71.2500 8.9900

201 Bulgaria FRN 6 07/28/01 71.2500 8.9900

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203 Bulgaria FRN 6 07/28/01 71.2500 8.9900

204 Bulgaria FRN 6 07/28/01 71.2500 8.9900

205 Bulgaria FRN 6 07/28/01 71.2500 8.9900

Warning Sign: Stocks Sag as Treasuries Surge

By Jonathan Fuerbringer
New York Times Service

NEW YORK — While stocks are tumbling, the Treasury bond market is rallying — and for some economists and money managers, that is not a positive signal.

The Dow Jones industrial average closed Friday at 8,425.00, just points away from a 10-percent correction from its high of 9,337.97, reached July 17. The yield on the benchmark 30-year Treasury bond, meanwhile, slipped Friday to 5.54 percent — the lowest since the government began regular sales of the securities in 1977.

For most of the last three and half years, the bond market and the stock market have moved in opposite directions.

tion, responding to the positive factors of low inflation and strong earnings.

Lately, the drop in yields and the decline in stocks could both be traced to the turmoil in Asia and in Russia, and the uncertainty that the turmoil has fostered among American investors.

"When you see stocks down and bonds up, the message is there is a problem ahead for the economy," said Hugh Johnson, chief investment officer at First Albany Corp.

Stocks have been hurt as the economic drag from Asia reduced corporate earnings. Now each company that warns of lower earnings, as Ciena Corp. did on Friday, has a bigger impact.

Asia is slowing growth in America and around the world. The drop in demand for imports from Asia has hurt

Market Gyration Offers Bargains for the Brave

Fund Managers Snap Up Battered Shares

By Noelle Knox
New York Times Service

NEW YORK — The bungee-like gyrations in the stock market the last two weeks may have scared away the faint of heart. But for money managers who are paid to stomach such swings, a plunge is simply a chance to pick up shares of solid companies on the cheap.

Listening to the reasons given by three top money managers for their bear-market stock picks, one gets the sense that it does not take courage so much as conviction to buy a plunging stock. All these managers strongly believe in a turnaround, a takeover bid or a mathematical formula.

Promus: Turnaround Play

Promus Hotel Corp. escaped much of the sell-off on Aug. 4, but after the market closed, the company announced that its chief executive, president and directors would resign. The shake-up was a result of the declining corporate cultures of Promus and Doubletree, which merged last December.

The company, which owns and franchises 1,200 hotels in North America under the Doubletree, Embassy Suites and Hampton Inn banners, among others, was also sucked down by market fears that the hotel industry had hit a cyclical peak.

Promus, which had lost just 75 cents on Aug. 4, fell 22 percent on Aug. 5, to an intraday low of \$26.50.

Christian Felipe, who heads the MFS Massachusetts Investors Growth fund, did not hesitate as he reached for a buy ticket. While he declined to say how many Promus shares he has bought, the company, based in Memphis, now ranks among the fund's top 15 holdings.

"This stock is a takeover candidate," he declared, adding that he expected the Bass brothers, Marriott International, Hilton Hotels or a similar hotel company to bid more than \$50 a share for Promus.

Mr. Felipe has been the portfolio manager of Massachusetts Investors Growth fund since 1995. The fund, with \$3.56 billion in assets, invests in big companies with steady growth potential.

This year, through Aug. 12, the fund's A shares returned 18.7 percent, compared with 16.2 percent for the average large-capitalization growth fund, according to Morningstar Inc. of Chicago.

Even without a takeover offer, Promus fits in Mr. Felipe's portfolio because of what he called its "very valuable brand franchise."

He said he expected the company to earn \$2.10 a share this year and \$2.60 next year.

While the industry may be saturated, at the low end, he said there was still room to grow in the mid-price segment where Promus operates.

Libbey's Takeover Candidate

This was not just a bad week for Libbey, the maker of restaurant glasses,

and tableware. The company has had a bad year. Its stock declined gradually, but steadily, from a high of \$41 last December to close at \$32 on Tuesday; it now trades at \$31.125.

But Ronald Baron, 55, manager of the Baron Asset fund, did not care. He has

INVESTING

owned Libbey stock for a couple of years, and on Tuesday he bought 30,000 shares for an average price of \$31.41. He now has \$78 million, or 1.5 percent, of the fund's assets invested in the company, which is based in Toledo, Ohio, making Libbey the fund's 18th-largest holding.

Mr. Baron is a long-term, out-of-the-box thinker, and his portfolio shows it. Baron Asset has half of its money in about a dozen small-capitalization stocks, including Sotheby's and Ralph Lauren, and the fund has a low turnover rate of 12 percent.

Mr. Baron likes Libbey because it is shielded from new competition by the high costs of furnaces and glass molds. Ninety percent of Libbey's orders come from restaurants' replacement of inventory. "It's a good, stable, modestly growing business," he said. "Their costs are stable and now they have production outside the country" in Mexico, which should help cut costs.

"Wall Street thinks they can make between \$2.50 and \$2.60 this year. I

Christian A. Felipe

MFS Massachusetts Investors Growth

Assets: \$3.56 billion

Top pick: PROMUS (PRH)

Felipe's close: \$35

Source: Bloomberg Financial Markets

Ronald Baron

Baron Asset

Assets: \$5.25 billion

Top pick: LIBBEY (LBY)

Felipe's close: \$31.125

Source: Bloomberg Financial Markets

Jeff Tyler

American Century Income and Growth

Assets: \$3.36 billion

Top pick: HILFINGER (TCM)

Felipe's close: \$33.125

Source: Bloomberg Financial Markets

think they can make \$2.80," referring to per-share earnings.

Hilfinger: All in the Numbers

Tommy Hilfinger Corp., the designer who turned sweatshirts into a fashion statement, saw his company's stock tumble almost 30 percent from a high of \$70.375 on June 3. When it fell below \$50 on July 27, Jeff Tyler's computer screens were aglow.

The way Mr. Tyler, 40, figures it, the company's stock was "guilty by association" with those of weaker garment makers like Liz Claiborne warned investors that its second-half results might be ugly.

Tommy Hilfinger "was a stock that

had been attractive, but with the way the market was being abused, Tommy became a lot more attractive," Mr. Tyler explained. "We picked up on it and increased our position."

As co-manager of American Century Income & Growth, with \$3.36 billion in assets, Mr. Tyler uses three complex formulas to pick stocks.

The first looks at a company's price-to-earnings and price-to-cash-flow ratios, as well as stock price and earnings momentum — the pace and direction of changes in those numbers.

A company is scored on a scale of 0 to 100, with higher scores being better. Hilfinger boasted a score of 95, versus 48 for the average company in the Standard & Poor's 500-stock index.

Then Mr. Tyler uses a second model to look at the changes in analysts' earnings estimates and the likelihood of an earnings surprise. Hilfinger scored 94, compared with 47 for the average company in the S&P 500.

Finally, he uses a third, so-called pure-valuation model that pegs a stock as cheap or pricey based on, among other things, its price-to-cash flow ratio in relation to the overall market.

It ranks a stock on a scale of plus 20 to minus 20, with high-scoring companies being cheaper and, hence, better buys. Hilfinger scored a minus 13, making it a fair bit more expensive than the average company in the S&P 500, which nets a minus 6. But Hilfinger's score on the two other measures made up for that.

Olivetti, Given Up for Dead, Is Europe's Hot Stock

Bloomberg News

MILAN — When Olivetti SpA invited fund managers last year to come hear how the Italian computer company planned to stanch the billions of dollars in losses it suffered since 1991, few investors bothered to show up.

"It wasn't really a stock we took seriously and I thought worth having," said one of those who shunned the meeting, Paolo Bartolucci, who helps manage 270 billion lire (\$51.8 million) in Italian shares at Grifogest, a Florence-based fund manager.

Everyone takes Olivetti seriously now.

The company, having shed much of its hardware business and re-emerged as the biggest cellular and fixed-line rival to Telecom Italia SpA, has seen its stock rise six-fold to 3,906 lire in the last 12 months. In that period, it has been the best-performing stock in the Italian benchmark Mifit index.

"No one expected this to happen," said Mr. Bartolucci, whose fund began buying Olivetti in January, at 1,000 lire a share. "Olivetti is a completely different company today. In its old line of business, if you're not the world leader you're in trouble. Now, in telecoms, it enjoys a protected franchise."

Omnitel Pronto Italia SpA, one of Italy's two mobile-phone companies, is the engine of Olivetti's share rise, analysts and investors say. Olivetti owns a controlling 50 percent stake in Omnitel through Olimpia, a joint venture with its German partner, Mannesmann AG.

In the two and a half years since it was formed, Omnitel has won a quarter of the Italian market from Telecom Italia Mobile SpA and, with 4 million users, became the fourth-largest European cellular phone company. Omnitel made a profit a year ahead of target, earning 234 billion lire in the first half of 1998.

This growth may slow as more competition in Italy's cellular telephone market emerges this year, analysts warn. Delays in awarding a third mobile-phone license preserved a TIM-Omnitel duopoly for more than a year longer than planned, letting the companies postpone an anticipated price war.

Wind SpA, a venture of the state electric utility, Enel SpA, and France Telecom SA and Deutsche Telekom AG, won the third license in June.

"Wind said it plans to begin selling mobile-phone services by the end of this year," Infostada SpA, Olivetti's fixed-line telephone unit, will follow Omnitel as the Italian telecommunications industry's next success story, some analysts say.

Analysts estimate that Infostada is worth between 2 trillion and 4 trillion lire — as much as three times Olivetti's

entire market capitalization last August.

With 4,000 business clients, Infostada has already become Telecom Italia's largest competitor since the former state-run company lost its monopoly on conventional fixed-line phone calls in January under a European Union directive to open the industry to competition. Telecom Italia also controls TIM.

Infostada, which is building a high-speed cable network atop the communications grid of the state railway, Ferrovie dello Stato SpA, forecasts that sales will rise to 1 trillion lire in 2000 from 120 billion lire in 1997 and that it will turn a profit in 2002.

"Omnitel and Infostada are all that investors care about in Olivetti," said Jonathan Shanry of Credit Lyonnais in London.

This was not the case in the early 1990s, when Olivetti — based in Ivrea, a town in the Alps north of Turin that still calls itself "Informatica City" — was known to the world as a maker of personal computers and networking systems.

After Chief Executive Roberto Colaninno took over in 1996, the PC division was the first to go, as the company's cumulative losses since 1991 reached 4.77 trillion lire and investors forced out the then-chairman and largest share-

holder, Carlo De Benedetti.

After the PC unit, renamed Olivetti Computers Worldwide, was bought by a group of investors headed by the London-based financier Edward Goswami, Mr. Colaninno put on the block the company's Olivetti computer-services division. Wang Laboratories Inc. bought that unit in March for 700 billion lire in cash and stock.

Olivetti's only remaining hardware businesses are Lexikon, a maker of copiers, typewriters and cash registers that set up an alliance with Xerox Corp., and Tecnost SpA, a separately traded services-automation company.

Not all the assets Olivetti sold were seen as deadweight by investors. Olivetti agreed in September to sell as much as 49.9 percent of its telecommunications unit to Mannesmann for up to 2.34 trillion lire.

Mannesmann has already taken up 25 percent of Olivetti, and is seeking to buy the rest of that 49.9 percent before a March 2000 target date, becoming Omnitel's largest — but not controlling — shareholder.

Olivetti's share gains, which make Mannesmann's purchase of the Olivetti stake seem a bargain, also were caused by the Italian company's image as an easy takeover target, analysts said, adding that Olivetti's 10.9 trillion-lire market capitalization makes it relatively affordable.

CRISIS: Mixed Views on the Results of Asia's Economic Churn

Continued from Page 11

Kong. Mr. Mobius, whose flagship mutual fund, the \$465.6 million Templeton Emerging Markets Fund, has performed in the top third of funds in its category for the past 10 years, is also impressed with the financial reforms already undertaken.

"Take Thailand," he said. "It has closed 50 finance companies. A lot of things are taking place."

But others argue that despite these changes, Asia's glory days are over. "The growth we saw in the 1990s was not real. It was fed by massive investment capital from overseas," said William Kaye, senior managing director of the Pacific Alliance Group, which manages about \$100 million in private funds for wealthy clients. Mr. Kaye

moved to Hong Kong eight years ago to start an Asia investment company after retiring from PaineWebber Inc.'s board at age 36.

Mr. Kaye said the Asian model of forced savings and government-directed investment contributed to an over-investment in unproductive projects. "In addition, 40 percent of East Asian trade" is with other Asian countries, which are not importing much of anything. Economic growth in the one bright spot for exports — the United States — appears to be slowing.

"We're really in a terrible mess here," said Mr. Kaye, who predicted that it would take Asia five years to recover.

Regardless of when turns out to be correct, the Asian economic crisis has highlighted the enormous impact

that globalization has on the economies, politics and social systems of smaller countries.

In a speech in Manila this spring, Joseph Stiglitz, chief economist of the World Bank, compared small, open economies to "rowboats on a wild and open sea." He said: "Although we may not be able to predict when the boat will be capsized, the chances of eventually being broadsided by a large wave are significant, no matter how well the boat is steered. Though to be sure, bad steering probably increases the chances of a disaster and a leaky boat makes it inevitable, even on a relatively calm day."

Throughout Asia, bankruptcies, unemployment, poverty, crime and suicides are soaring. The crisis has sparked renewed violence against the ethnic Chinese in

Indonesia, as well as labor strife, including potentially worsening confrontations between unions and Hyundai Motor Co. over the South Korean automaker's announced plan of widespread layoffs.

The crisis also has sparked substantial turbulence of a different kind. In a region where leaders in the past discouraged opposition by touting "Asian values," insisting that Confucian cultures preferred chains of command, the abrupt reversal of economic fortunes has sparked the once-silent masses to challenge authority.

Indonesians threw out President Suharto, their longtime ruler. The economic upheaval helped sweep in new governments in South Korea, Thailand and Japan, all of which promised economic and political reforms. Japanese cheered as prosecutors arrested bureaucrats at the powerful Finance Ministry, and South Koreans applauded efforts by President Kim Dae Jung to reduce the grip of family-run conglomerates, or chaebol, on much of the South Korean economy.

Thailand adopted a new reformist constitution aimed at reducing the corruption in politics that was seen as one cause of its economic problems.

"In a sense, the past year is a turning point," said Iwao Nakatani, a prominent Japanese author and economics professor. "The question is how far these Asian countries can reform their systems and their social structures so that they can meet the demands of a global market economy."

RATES: Crisis in Asia Brings Benefits to Others

Continued from Page 11

The fact that it is fear that is driving these interest-rate declines — money fleeing risk of any kind, from equity markets, from high-risk credit markets and from the uncertainty of emerging markets — can give a false reading, warns John Llewellyn at Lehman Brothers. "Inflows driven by fears can just as easily become outflows once those fears subside," he says.

In the meantime, he adds, the inflows, by driving down interest rates and potentially spurring domestic activity, are a welcome offset to the declines in exports to all emerging markets. Even the oil producers, hit by the decline in the price of oil to an eight-year low, have been cutting imports.

While reduced global demand is driving down the price of oil, the falling oil price is another bonanza for the major countries in keeping inflation tamed.

And even the decline in U.S. stock prices, now some 9.75 percent below their late-July peak, is welcome news,

taking some of the crackle out of a market that many observers had feared was dangerously overpriced.

The Asian crisis is doing the Fed's job — creating a soft landing for the U.S. economy, winding down activity before inflation becomes a problem and without increasing interest rates," observes Charles Wyplosz, an expert on international finance who teaches at the Graduate Institute of International Studies in Geneva.

Raising interest rates, the standard tool to slow an economy, sends waves through all the interest-sensitive sectors of the economy, while a slowdown in exports and a rise in imports, Mr. Wyplosz notes, is relatively less painful as it affects only the relatively small part of the economy exposed to international trade.

Although Continental Europe does not share the U.S. need to slow growth to a more comfortable cruising speed, analysts expect the decline in interest rates to help spur Continental domestic demand, which is expected to replace exports as the re-

gion's engine for growth.

Meanwhile, analysts insist, the turmoil in the emerging markets is likely to have little direct impact on the rest of the world. For example, the threat from Russia, experts agree, is not financial but political. Who takes over if Boris Yeltsin and his government are unseated?

And while the direct impact from the turmoil in other emerging markets appears to be even less threatening, analysts do worry about reaching a point where the unbroken run of bad news finally begins to affect global sentiment, turning confident consumers into cautious savers.

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THE BEST OF FRIENDS

By Joanna Trollope. 293 pages. \$23.95. Viking.

Reviewed by Brigitte Weeks

DESPITE the longevity of Masterpiece Theatre, chroniclers of the ways of the British middle classes have a surprisingly difficult time scoring hits in the U.S. market. Joanna Trollope hasn't made her mark here yet. And that is a shame. Love, marriage, children and relationships are universal themes, and Joanna is as poised and intricate a portraitist as her famous novelist ancestor, Anthony Trollope.

"The Best of Friends" is the story of two marriages — volatile ingredients. The two couples, Gina and Fergus Bedford, Hilary and Laurence Wood, live in the same mid-size English town and have known each other forever.

Sophy, the Bedford's only child, is good friends with George, Adam, and Gus, the three Wood sons.

Without warning, Fergus leaves Gina and declares their marriage over. She turns to her childhood friend Laurence for help. Suddenly one separation seems to be turning into two. The domestic tale takes on almost Shakespearean dimensions. "All my novels focus on what making a choice really means," says Trollope. "I think sacrifice through choice is something that happens to almost everybody." And these families

are making choices that go to the core of their beings, while their daily lives move on in a familiar pattern and boys, as they have always done, leave their rooms in chaos.

It is this intense focus on raw emotional issues in everyday lives that lies at the heart of Joanna Trollope's work and sets it apart from cozy village green tales. With the tools of soap opera she builds a stark edifice. How do vulnerable adolescents deal with their parents' conflicts and unhappiness? What makes a successful, middle-aged antique dealer walk out on his wife, who has seen no clouds in their domestic sky? How does a talented chef and owner of a small family hotel make choices with profound implications for two families, eight lives?

For Hilary and Laurence, while their marriage and family are crumbling around them, there is still the hotel and an unexpected bus load of elderly travelers to be fed and housed, still three boys to clean up for a family friend's funeral.

Over at Gina Bedford's house, there are only the half-empty rooms, bereft of Fergus's antiques, and the sorrowing, abandoned wife with her confused and angry daughter. "Fergus was not a safe man, not a safe father, not like Laurence," Sophy realizes wistfully as she slips away undetected to visit him in London. Her instincts about her father and her agonized feeling of abandonment come together when she finally

confronts Fergus: "You dumped me," she storms. "All those years you took photographs of me and got my breakfast and read to me and paid my pocket money and made me believe I could rely on you and then you just dumped me."

Down the street the Wood boys are outraged and heartbroken as their comfortable world begins to crack. Sophy's mother, a family friend, has become a predator. Adam yells at his own mother. "Why don't you go and see her? Why don't you go and say she can't just help herself to Dad like this?"

The gardens of Whittingbourne continue to be weeded, the teenage girls still go to school in black mini-skirts and long battered T-shirts, and Hilary Wood stocks the hotel kitchen from the Cash and Carry store. But no character in this novel, including the poignant Vi Sitchell, Gina's eccentric but lovable mother, remains untouched or unchanged by these months of turmoil. But, like everyone, they have to find a way of coping, of making the best repairs they can and moving on.

Trollope has a new U.S. publisher for "The Best of Friends," so perhaps her thoughtful, seamless tales about ordinary people dealing with mundane yet searing problems will begin to reach more readers. She deserves them.

Brigitte Weeks, editor in chief of Guidepost Books, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

APFTER a night of drama and confusion, the defending champions squeezed into the final of the Spingold Knockout Team Championship in Chicago early this month, by the narrowest possible margin.

A team led by Grant Baze of La Jolla, California, was locked in a close battle with a team led by Richard Schwartz of Queens, New York, that seemed headed for victory, leading by 13 imps with one ball remaining.

Then the Baze team collected an 800 penalty and 12 imps, losing, it seemed, by just 1 imp. But after frantic score checking, Baze and his teammates had won by 1 imp

and advanced to the final. The Women's Knockout Team final on Friday was a fierce battle between two well-matched teams. Kitty Munson of Jersey City, Carol Simon and Linda Lewis, both of Las Vegas, Nevada; Margie Gwozdzensky and Susan Wexler, both of Manhattan, and Karen Barrett of Vancouver, Washington, trailed early but had a two-imp lead going into the final quarter. They held on to win by 19 against Kathie Wei-Sender of Nashville; Juanita Chambers of Schenectady, New York; Shasha Cohen of Glen Ridge, New Jersey; Pam Wines of Los Alamitos, California; Irina Levitina of Teaneck, New Jersey, and Jill Levin of Riverdale, the Bronx.

The last quarter, which las-

ted well past midnight, was very well played. Both North-South pairs hoped to gain on the disadvantaged deal. In one room, as shown, six hearts was reached after Simon as North opened two spades. Munson made a forcing response of three hearts and eventually bid six hearts. The opening lead was a diamond, and South took full advantage. She won with the ace, drew trumps and led a spade. West had to win, and was helpless. Any return would permit South to avoid a club loser.

The players noted that an unlikely lead of the spade ace followed by a diamond shift would have defeated the slam by depriving South of her exit card. The contract and the result were duplicated in the replay.

Note that the players did well to avoid six clubs, which would have been hopeless with any normal defense.

NORTH (D)
♠ K J 7 3 2
♥ 9
♦ K 7
♣ 10 6 2 2

WEST
♠ A Q 10 6
♥ 10 7 5 4
♦ J 8 3 2
♣ 4 7

EAST
♠ 5 4
♥ 6 3
♦ Q 10 9 5 4
♣ K 8 5 4

SOUTH
♠ 5
♥ A K Q J 6 3 2
♦ A
♣ A Q J 8

North and South were vulnerable. The bidding: North 1♠, South 2♠, North 3♠, South 4♠, North 5♠, South 6♥, North 6♠.

West led the diamond two.

SHORT COVER

GM Expected to Post Loss for 3d Quarter

DETROIT (Bloomberg) — General Motors Corp. said two United Auto Workers strikes that crippled its North American car and truck production cut third-quarter results by \$1.65 billion, an amount that analysts said will lead to a loss.

GM earned \$1.07 billion, or \$1.35 a diluted share, a year earlier. GM reported the impact of the Flint, Michigan, strikes in a Securities and Exchange Commission filing. The eight-week walkouts, which ended July 28, canceled output of 318,000 vehicles, reducing results by \$1.3 billion in GM's North American auto business and \$350 million at its Delphi parts unit.

GM would not comment on predictions of a loss.

Kuwait Clears Merger

Of State Oil Concerns

KUWAIT (Bloomberg) — Kuwait said it approved a merger between the country's two major state-owned oil companies.

Kuwait's Supreme Petroleum Council last week approved the merger of Kuwait Oil Co. and Kuwait National Petroleum Co., said a spokesman for the oil ministry.

Consumer Prices Fall

By 3%, Malaysia Says

KUALA LUMPUR (Bloomberg) — Malaysia's consumer prices fell 0.3 percent in July from a month earlier, its first decline in 13 months, the official news agency Bernama reported, citing the Department of Statistics.

In June, consumer prices rose 0.7 percent from a month ago. No reason was given for the changes.

Elf Aquitaine in Talks

To Purchase Conoco?

PARIS (Bloomberg) — Elf Aquitaine is in talks to buy Conoco Inc. from Du Pont Co. for about \$15 billion (\$24 billion) in what would be the latest consolidation move in the oil industry, a British newspaper reported Sunday.

France's largest oil company is one of several companies that have looked at Conoco, the oil subsidiary of Du Pont, one of the world's biggest chemical companies. The Mail on Sunday said it did not name other possible bidders.

Neither Elf nor Du Pont would comment on the report.

Nomura Said to Offer

£1.5 Billion for Thistle

LONDON (Reuters) — The Japanese finance group Nomura is poised to buy the British hotel group Thistle Hotels PLC for up to £1.5 billion, The Sunday Telegraph

SPORTS



Michael Owen of Liverpool, second from right, scoring Sunday against Southampton. Liverpool triumphed, 2-1.

DC United Plays for More Than Just a Title

WASHINGTON — When DC United faced Toluca of Mexico on Sunday night in the final of the Concacaf Champions' Cup title at RFK Stadium in Washington, there was plenty at stake.

Victory in the tournament for clubs from the Caribbean and North and Central America would give United a place in a significant two-game series against a South American power and a possible berth in a proposed world championship.

But in a broader sense, United was playing for more. It also is representing Major League Soccer, a three-year-old league with its share of growing pains, and American soccer, which still does not command much global admiration and respect.

"When we step on the field as DC United players, we know we represent the MLS and we know we represent the quality of the league and what people think about our league," defender Eddie Pope said. "We have been able to show, 'Hey, MLS teams are on the

right track.' We're getting there. We're playing well against these established teams and we're beating these teams as well."

United reached the final by beating Leon of Mexico, 2-0, Friday. Roy Lassiter scored twice to take his tally to six goals in two cup matches. Scott Garlick, DC United's American goalie, made two brilliant saves in the late stages.

Toluca advanced on penalty kicks after playing a 1-1 tie with Saprissa of Costa Rica.

Owen Swoops to Lift Liverpool

Goal by England's World Cup Star Dashes Hopes of Southampton

Michael Owen poached a 72nd-minute goal Sunday to give Liverpool a 2-1 victory at Southampton on the opening weekend of the English Premier League season.

Owen, 18, who scored twice for England in the World Cup, pounced after Paul Jones, the Southampton goalkeeper, spilled the ball in front of the goal. Liverpool had started the game purposefully and Paul Ince, Jason McAteer and Owen all went close in the first three minutes. But in the 36th minute Egil Ostenstad headed past Brad Friedel, Liverpool's American goalie, to give Southampton the lead.

The lead lasted barely two minutes. Owen chipped the ball in from Liverpool's left flank and Karlheinz Riedle crashed a downward header past Jones for the equalizer.

In the 72nd minute, Ince flicked on a long throw-in and when Jones failed to hang on to the ball Owen snatched it into the net from five yards. Southampton substitute Matt Le Tissier almost equalized two minutes from time but his shot on the turn flashed wide.

On Saturday, Marcel Desailly and Frank Leboeuf found the Coventry City attack more difficult to handle than Ronaldo and Bebeto.

The two men played in the center of the French defense in the World Cup final in July and won, 3-0. On Saturday, 34 days later, they played together for Chelsea at Coventry and lost, 2-1.

After 10 minutes, Darren Huckerby outpaced Desailly and lobbed the ball into the Chelsea goal. Six minutes later Dion Dublin headed Coventry's second goal.

"I made mistakes today that I don't normally make," said Desailly. "When Dion Dublin headed in my second, I didn't get near him. I normally never make mistakes like that. I will have to work harder."

Uruguayan Gustavo Poyet headed a goal for Chelsea in the 37th minute. Chelsea created several other good scor-

ing chances but all of them fell to Pierluigi Casaragi, the Italian center forward who was making his debut, and he could not score.

In Manchester, visiting Leicester City fans booed David Beckham whenever he touched the ball. But he had the last word. Beckham is widely blamed by English fans for England's loss to Argentina in the World Cup, a match in which he received a red card. On Saturday he managed to stay on the

EUROPEAN SOCCER ROUNDUP

field for the full 90 minutes and scored in the last of them to give United a 2-2 draw.

Leicester had taken a 2-0 lead through Emile Heskey and Tony Contee. Southampton scored for United in the 79th minute and Beckham then scored with a free kick.

Wimbledon led the Premier League on Sunday night, after beating Tottenham, 3-1, on Saturday.

GERMANY Michael Preetz scored in the 54th minute to give Hertha Berlin a 1-0 victory over visiting Werder Bremen on Sunday.

On Saturday, Giovanni Elber scored the only goal as Bayern Munich opened its season with a 1-0 victory at VfL Wolfsburg in their opening match of the new season.

Elber, a Brazilian, squeezed past Wolfsburg's Croatian defender Marjan Kovacevic to score the only goal of an otherwise uneventful match with a shot from inside the penalty area in the 65th minute. Elber has scored five goals in three matches.

Meanwhile, Kaiserslautern, the champion, also started with an away victory, in the Bayern's home stadium. It beat TSV 1860 Munich, 2-1, in front of 60,000 in the Olympic Stadium in Munich.

Bernhard Winkler put 1860 in front with a penalty kick in the 12th minute. Olaf Marschall leveled with a header from a cross by Brazilian midfielder

Ratinho three minutes before the break. Samir Ibrahim, an Egyptian who joined Kaiserslautern in the summer, scored the winning goal in the 62nd minute.

Defender Ibrahim, who joined from Cairo club Al Ahly, looked clumsy at times but gave Kaiserslautern the points with his long-range effort.

Bayer Leverkusen, which spent 12 million marks (\$6.68 million) on Flamengo's Brazilian international midfielder Ze Roberto in the most expensive German transfer this summer, beat Hansa Rostock, 3-1. Defender Stefan Beinlich scored twice for Leverkusen. Joerg Reeb, a signing from Arminia Bielefeld, added a third in the 73rd minute.

Schalke 04 lost, 3-0, at Borussia Moenchengladbach, which had struggled last season. Moenchengladbach made a dream start with veteran Austrian striker Toni Polster opening the scoring after just two minutes. Swede Jorgen Pettersson made it 2-0 eight minutes later and midfielder Matthias Hagner put the issue beyond doubt in the 80th minute.

FRANCE Thierry Henry created a goal in the first minute and later scored himself as Monaco beat Sochaux, 4-1, Saturday to move to the top of the French league.

From the kick-off, Henry raced down the left wing to lay on a goal for Portuguese midfielder Francisco Da Costa.

Defender Bernard Maraval replied quickly for Sochaux but Victor Ikpeba completed a breathtaking opening spell by restoring Monaco's lead in the eighth minute.

Henry said last week he wanted to leave Monaco and move to Arsenal and play in front of big English crowds.

In the 50th minute he ran 40 meters to score and then created the final goal for Ikpeba. Sylvain Wiltord scored twice as Bordeaux won, 3-2, at Le Havre. Bordeaux trails Monaco on goals scored as does Marseille, which won, 1-0, at Metz. (AFP, AP, Reuters)

Fight Against Drug Cheaters: IOC Needs to Find the Will to Tackle Problem

NEW YORK — The need for the International Olympic Committee's drug summit meeting is obvious after a summer of drug busts at the Tour de France and the suspensions of the Olympians Michelle Smith-De Bruin, Randy Barnes and Dennis Mitchell. But if the primary agenda is to redefine doping, as the committee president, Juan Antonio Samaranch, has suggested, the effort will be wasted.

Samaranch has said in recent weeks that the list of banned drugs could be drastically reduced by permitting the use of performance-enhancing substances that are not a threat to an athlete's health. Such a redefinition not only would be cynical, it would be morally indefensible and reveal a lack of commitment to deal honestly and effectively with drugs. Beyond that it would not fix what is broken.

The committee will convene Thursday to set the agenda for the January meeting. If that conference is to be useful, it must address the three principal sources of the current chaos.

First, the summit meeting should address why the committee and its constituent organizations lack the will to do what is necessary to stay ahead of cheaters and what is necessary in the short run to catch up. These organizations have long complained that athletes are able to frustrate their efforts by keeping one step ahead of the IOC laboratories. The Aug. 10 Time magazine cover story, "Chasing the Cheats," is only the most recent article to accept this as gospel.

Athletes undoubtedly have access to the latest designer drugs, but the committee has never devoted sufficient funds for basic drug-related or performance-related research. Nor has it systematically equipped all of its laboratories with the latest diagnostic equipment or paid for the investigations necessary to establish doping in an individual case.

This problem is compounded by the

VANTAGE POINT/DORIANE LAMBLEY COLEMAN AND JAMES E. COLEMAN JR.

default of drug-control authorities who recognize that they lack the resources necessary to challenge what they see as the rampant use of drugs. Rather than demanding more money, these officials take slipshod measures to cope.

The committee and other international federations routinely add substances to the banned list about which they know nothing, based solely on rumors that athletes are taking them, hoping to enhance performance. This is the case, for example, with various over-the-counter supplements believed to convert to testosterone.

Such scientific illiteracy is appalling, particularly as the organizations subsequently base prosecutions on these mystery drugs.

The suspensions of Randy Barnes and possibly that of Dennis Mitchell may fall into this category. Anti-doping efforts must be based on science, not rumors and hunches.

Second, the meeting must address the failure of the committee to discharge its responsibility to design a fair and professional process for adjudicating doping disputes. Authorities should punish athletes who are guilty of doping violations. At the same time, however, to assure that innocent athletes do not fall victim to an arbitrary system, they must conduct doping proceedings in a fair and timely manner.

This includes:

- Setting up a process that is independent of the governing organizations.
- Assuming a burden of proof that reflects the extraordinary severity of any sanction that ultimately might be levied.
- Basing charges only on credible scientific evidence.
- Protecting the confidentiality of innocent athletes who are investigated.
- Standardizing the doping rules and

appellate procedures so that athletes are not simultaneously subject to the jurisdiction of multiple organizations.

Several federations have independently tried to do some of these things, but unless the Olympic committee mandates them, none of these protections will be guaranteed.

It is true, as the authorities repeatedly say, that it is more difficult to suspend athletes accused of doping when civil laws create conflicting rights, lawyers

aggressively defend them and judges routinely intervene. On the other hand, we must get beyond the plantation mentality that casts the world's athletes as slaves to masters in Lausanne, Switzerland, or Monte Carlo. Until a fair and efficient mandatory process is established, athletes, lawyers, judges and the public will continue to question the integrity of the effort.

The committee has a head start in creating such a process. Its quasi-in-

dependent Court of Arbitration for Sport is a model for a proper appellate review body. Despite its location on IOC grounds in Lausanne, Court of Arbitration rulings have reflected extraordinary independence and fairness. Its jurisdiction needs to be made mandatory.

Third, the meeting should address the overarching effect of the Olympic movement's all-pervasive concern about image. This concern, although understandable from a corporate perspective, creates inherent conflicts of interest that ultimately are the Achilles' heel of its doping efforts.

For example, when we asked an Olympic official to intervene against the International Amateur Athletic Federation, track's world governing body, when it vindictively sought to proceed against Mary Slaney, he responded, "Even if she is innocent, how can we publicly help you without looking like we are soft on drugs?"

A similar attitude was reflected when FINA, the international governing body for swimming, suspended Smith for allegedly submitting a contaminated urine sample even though FINA does not know how — and therefore whether — she contaminated the sample. A FINA official defended the decision on the ground that it would have sent the wrong message not to suspend her.

These are the inevitable and indefensible reactions of organizations that seek to raise enormous amounts of money and simultaneously keep their drug-control efforts in-house. The Olympic committee and its constituent organizations cannot serve both masters.

The meeting therefore should consider as a fundamental matter the obvious merits of spinning off its doping-control efforts to an independent entity of professionals, one that is not a stepping stone for personal advancement in the Olympic movement.

Finally, if any of this is to be accomplished, the committee must invite not only the usual institutional suspects but also outsiders who are respected and have expertise in the relevant areas of concern. This includes specialists in science and law, as well as athletes who can discuss the state of drug use in Olympic sports or their experiences with the drug-testing and hearings processes.

Without such independent voices, the IOC's latest attempt to address its drug-control problems will likely devolve into a public relations effort. Ultimately, however, integrity is the best protection for the image of the Olympic movement.

Philosopher's Vision: The Cyborg Olympics

The Associated Press

BOSTON — Simon Eassom envisions a day in the near future when elite athletes are no longer entirely human.

Eassom, a philosophy professor at DeMontfort University in Bedford, England, has spent a lot of time thinking about it.

An Olympic marksman could use a transplanted cornea for better vision and surgically altered nerves for a steadier trigger finger.

Track competitors, chasing faster times, might someday run on artificial hearts with better circulation.

"The future of sports as we know it, the future of the Olympic Games, is by no means certain," Eassom said. "Given another 100 years, I'm not even sure we'll be having things like the Olympics."

Eassom's work in the obscure field of athletics and philosophy is on display this week at the 1998 World Congress of Philosophy in Boston, billed as the world's largest gathering of philosophers in history. The confer-

ence meets every five years.

Eassom and colleagues say their brand of philosophy cuts to the root of some fundamental questions about the human condition. For example, what is an athlete, and for that matter, how do you define a human being?

Sigmund Loland, a philosophy professor from the Norwegian University of Sport and Physical Education of Oslo, said it is not farfetched to picture a future of cyborg athletes — part human, part mechanical.

With rapid advances in biotechnology and engineering, athletes will be tempted to experiment with new ways to improve their game, he said.

Eassom said some athletes who have trained using steroids have undergone dialysis to cleanse their blood in advance of drug tests.

"If athletes are prepared to go to those sort of lengths, it would kind of make sense that they would be prepared to go to the length of putting an artificial heart valve in them to make their blood pump better," Eassom said.

But will sports fans like it? Eassom thinks so.

"There will be an element of a circus atmosphere — 'Oh let's go see the freak play.' But that will soon become commonplace," he said. "It's mass entertainment, and provided there are still the elements of suspense, drama and excitement, people are still going to watch it."

Loland said the athletes at greatest risk for seeking new body parts or blood chemistry are those pushing to break Olympic records.

"We're looking at quite a drastic scenario," he said. "The logic of record sports is that enough is never enough. It's when victory means hundreds of thousands of dollars, then you have a problem because people will invest whatever it takes to win."

Eassom predicts at least one sport will stay cyborg free.

"Golf is a game of life," the philosopher said. "This is a very difficult game and most people who pick up the golf club for a first time would never pick them up a second time."

CROSSWORD

ACROSS

- 1 Help at a feast
- 2 Calls to a shepherd
- 3 Deadly
- 4 Easy gait
- 5 Qualified
- 6 Functional
- 7 Tebsek or "jeopardy"
- 8 Spot on a radar screen
- 9 Fancy British car, informally
- 10 Walt Disney's first sound cartoon
- 11 Aria, e.g.

DOWN

- 14 Wiggly fish
- 15 TV adjunct
- 16 Unbeatable rival
- 17 Downward bend
- 18 Underpinnings
- 19 Time delay
- 20 Catherine — wife of Henry VIII
- 21 Pinnacle
- 22 Mystery writer
- 23 Last shorter
- 24 Lend — Act
- 25 Shade of blue
- 26 Late, great crooner
- 27 Reading room

Solution to Puzzle of Aug. 14

ACROSS: 1. HELP, 2. CALLS, 3. DEADLY, 4. EASY, 5. QUALIFIED, 6. FUNCTIONAL, 7. TEBSEK, 8. SPOT, 9. FANCY, 10. WALT, 11. ARIA.

DOWN: 12. WIGGLY, 13. TV, 14. UNBEATABLE, 15. DOWNWARD, 16. UNDERPINNINGS, 17. TIME, 18. CATHERINE, 19. PINNACLE, 20. MYSTERY, 21. LAST, 22. LEND, 23. SHADE, 24. LATE, 25. GREAT, 26. CROONER, 27. READING.

DOWN

- 1 Word of regret
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- 3 Blurred blade
- 4 Lone Star State
- 5 Talk nonsensically
- 6 Flowering
- 7 Inver
- 8 Labor Day's mo.
- 9 Avenging spirits of mythology
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- 11 Cash drawer
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SPORTS

Sanders Runs Free As Reds Rout Expos

Montreal Has Lost Its Way on the Road

The Associated Press
CINCINNATI — Reggie Sanders singled, doubled, tripled and scored four runs Sunday as the Cincinnati Reds took advantage of the Montreal Expos' ragged play to get a 8-1 victory and a series sweep.

Montreal has the fewest road victories in the majors with 16 and has lost the first six on a nine-game road trip.

Brett Tomko (11-5), the Cincinnati pitcher, had a pair of hits, scored twice

ML ROUNDUP

and pitched seven innings. Tomko allowed one run on five hits and retired the last 14 Expos he faced. Scott Sullivan and Danny Graves each pitched perfect innings as the Reds retired the last 20 Expos in order.

The Expos committed their 120th error — most in the National League — to let in two runs on one play and walked Dumir Young with the bases loaded to force in another, helping the Reds pull ahead 7-1 after five innings.

Sanders tripled, was hit by a pitch from Carl Pavano (4-6), doubled and singled in his four plate appearances in the first five innings. He scored each time, matching his career high, and came up short of the cycle when he flew out to the warning track in the seventh.

In games played Saturday, Sanders hit .333, with a home run and a double, and scored three runs.

Jeffrey Hammonds had three hits and lined a ball off the side of Mike Thurman's head, knocking the Montreal starter out of the game.

Thurman went to a hospital for tests after Hammonds lined a ball off his right temple to start the Reds' second inning. A radar gun behind home plate clocked the liner at 108 mph.

Breanne S. Douglass 3 Andres Galaraga hit a three-run homer for the second straight game and John Smoltz won his sixth straight decision as Atlanta was victorious in Los Angeles.

Smoltz (11-2) won for the seventh time in eight decisions, striking out eight in seven innings.

Game 4, Series 3 In San Francisco, ET. Snow hit a sacrifice fly in the 10th

inning after San Francisco rallied from a 3-1 deficit in the sixth against Livan Hernandez.

After One Big Swing Sosa Tops 2 Stats

The Associated Press
SARNEY Sosa hit his 47th home run Sunday, tying him for the major league lead in homers and runs batted in.

The Chicago Cubs slugger hit a solo home run in the fourth inning in Houston to give the Cubs a 1-0 lead over the Astros and draw level with Mark McGwire for the home run lead and with Juan Gonzalez of Texas for RBI lead with 119.

Astros 5, Cubs 4 In Houston, Terry Mulholland's throwing error with two outs in the 11th inning allowed the pinch-runner Tim Lincecum to score, as Houston overcame a four-run deficit.

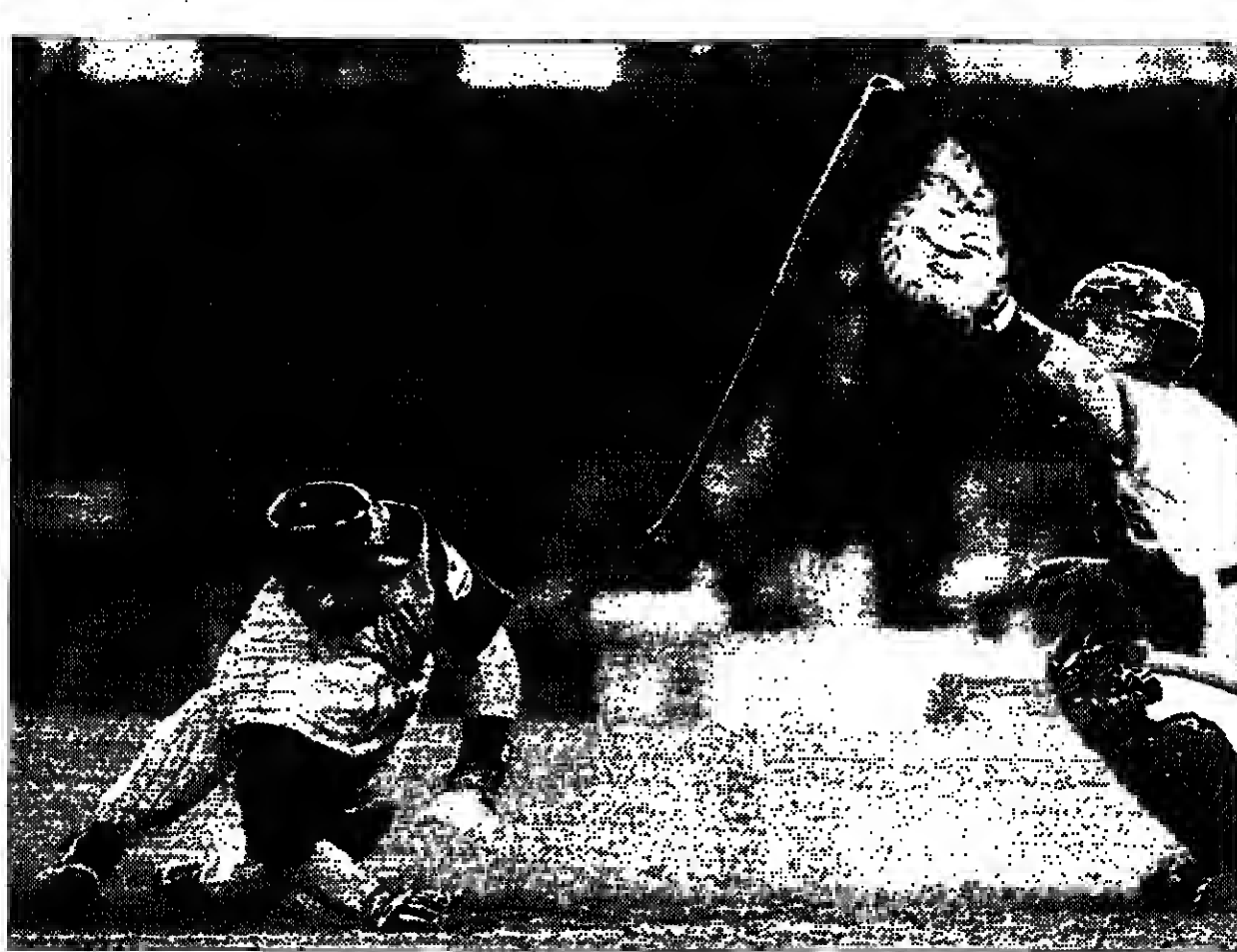
Rockies 7, Phillies 3 Mike Lausung went 2-for-3 and drove in two runs and Darryl Kile outduelled Curt Schilling as the Colorado Rockies beat visiting Philadelphia.

Kile lasted seven innings and matched a season-high with eight strikeouts. He gave up three runs on eight hits before leaving after Gregg Jefferies doubled to lead off the eighth inning.

Cardinals 8, Pirates 7 Mark McGwire kept the bat mostly on his shoulder again, drawing three walks for the second consecutive game, but St. Louis still beat visiting Pittsburgh. McGwire, who also flied out, struck out and singled, leads the majors with 130 walks.

Mets 5, Diamondbacks 4 John Olerud had three hits, including a homer, and Tony Phillips drove in the game-winning run as the New York Mets won in Phoenix.

Major league teams tied a modern record Saturday by playing seven extra-inning games on the same day. The only other time that's happened since 1900 was on July 4, 1918, according to research by the Elias Sports Bureau. On that day, there were 16 games, as every team played a doubleheader. On Saturday, there were 14 games.



Todd Greene, an Anaheim hitter, ducking a high pitch while Toronto catcher Kevin Browne watches the bat.

Johnson Giving Astros a Rocket Assist

Former Mariner Has Changed National League Playoff Picture

By Murray Chass
New York Times Service

In only two weeks it has become obvious that the presence of Randy Johnson will change the dynamics of the National League playoffs, maybe even the World Series. The significance of Johnson's role in the Houston Astros' season to win their first pennant can be summed up in the reaction of Phil Garner the day after Johnson shut out his Milwaukee Brewers last week.

"Oh man," the manager said, "this guy's killing us."

And he might do the same to the Atlanta Braves, the San Diego Padres and, yes, even the New York Yankees. Johnson, the major leagues' most dominating pitcher, has again become a force, this time in a new league and a new division. Too much cannot be made out of his presence at the head of the Astros' starting rotation.

"I wish at negotiating times," Garner said, "that players realize the No. 1 starter should make most of the money. It's so obvious when you're the manager that when you have a No. 1 starter, it slots everyone else and makes it easier for everyone else. When you don't have a No. 1, the weaknesses show up. The No. 1 guy takes all the heat. He bears all the pressure."

Let anyone think that Johnson's performance with the Seattle Mariners — a 9-10 record and 4.33 earned run average — indicated a pitcher in decline, listen to Garner again in his discussion of the likelihood that Johnson's uncertain and unhappy status before the trade affected his pitching.

"There's no doubt in my mind that's what happened," the Brewers' manager said. "My reports were he wasn't throwing very good, was erratic and didn't have good velocity. He wasn't the Randy Johnson we knew. But last night

there was no difference from what he did in the playoffs a couple years ago."

In those playoffs, in 1995, Johnson personally escorted the Yankees out of postseason play.

The Yankees have not faced Johnson since that electrifying division series. They seemed to just miss him in subsequent regular-season series; he would pitch the day before or the day after a Yankees series.

Most recently they missed him because he was traded. The Yankees were in Seattle at the time, and Johnson was scheduled to pitch the Sunday game. Instead he started that day for the Astros in Pittsburgh, and it was that game that should have started the Braves and the Padres thinking of the perils of October.

"He's already made a difference in the Astro club, and that will carry through to the postseason," Garner said. "The Astros are a better club this year than last. Last year they were a little awed by the playoff situation and they were outgunned by Atlanta. Don't count them out now."

Garner was making no predictions of an Astros' pennant, but he said, "They're a different club. They're extremely confident and play like they expect to win. Moises Alou has made them better. Johnson is going to make them a lot better. He's going to get a chance to make them better in two games in the first round of the playoffs."

Before Johnson's arrival, the Astros were on their way to compiling the third-best won-loss record among the three division champions. But conceding them the NL Central championship was premature; the Chicago Cubs were only three and a half games behind the Astros and were considered a threat to

Since Johnson put his foot on the pitching rubber in Pittsburgh, though, the Astros won 10 out of 13 and raised their lead to nine games. Johnson won all three times he started, pitching shutouts in the last two.

The sport has placed the Astros in position to snatch one of the home-field advantage spots in the playoffs, a position highly unlikely only a few weeks ago. Even if they don't get one of those two spots, they will have Johnson pitching two games in the division series and maybe three in the league championship series.

His presence means that Shane Reynolds and Mike Hampton don't have the burden of being the focal point of the playoff pitching rotation. By the time the Braves, the Padres, the Mets or whoever sees Nos. 2 and 3, they may be shell-shocked from their encounter with No. 1.

"He's pitched some kind of awesome against us," Garner said. "He might as well go to the Hall of Fame right now."

For now, Johnson and the Astros will settle for the World Series.

■ Do Homers Get Results?
Murray Chass also reported:
Home runs are fun, especially when players hitting them are chasing the home-run record, but what do they mean?

Fourteen players have hit 30 or more this season, and five play for losing teams. Ken Griffey and Alex Rodriguez play for the same losing team.

Last season 28 players hit 30 or more. Only two of the 13 National League players played on teams with losing records, but eight of the 14 American League players played for losers. Then there was Mark McGwire, the 28th player, who played in both leagues. Both of his teams, Oakland and St. Louis, had losing records.

Florie Flurry Strikes Out 10 for Tigers To Triumph

The Associated Press
Bryce Florie struck out a career-high 10 and allowed five hits in 8 1/2 innings to lead the Detroit Tigers to a 6-4 victory over the Oakland Athletics on Sunday. Florie (6-6) allowed a solo homer to A.J. Hinch in the sixth and walked only

AL ROUNDUP

one in the longest outing of his career. He left after allowing one-out singles in the ninth to pinch-hitter Bip Roberts and Jason Giambi.

Sean Runyan came in and allowed a three-run homer to Matt Stairs off the facing of the roof in right field before Todd Jones got the final two outs for his 20th save.

Frank Catalanotto had his second three-hit game in four days and Bobby Higginson had two RBI singles for Detroit. Catalanotto hit his first career triple in the first off Mike Oquist (6-10) and scored on Higginson's single.

Oquist added two more off Oquist in the third. Deivi Cruz led off with a single, took second on Catalanotto's single, and scored on another Higginson single. Luis Gonzalez's sacrifice fly scored Catalanotto to make it 3-0.

Oquist (6-10) allowed six runs on eight hits and two walks in 6 1/2 innings.

After allowing a first-inning single by Jason Giambi, Florie retired 10 straight batters, striking out the side in the second. Hinch broke up the shutout by leading off the sixth with a homer just inside the left-field foul pole.

Blue Jays 6, Angels 4 Toronto took a five-run lead in the fifth inning, hanging on to beat visiting Anaheim.

Carpenter (8-6) didn't allow a hit until Jim Edmonds singled leading off the fifth. The 24-year-old right-hander, 5-11 in his last seven home starts, gave up all four runs and 10 hits in 8 1/2 innings. He struck out seven and walked one.

Paul Quantrill, pitching despite a stiff back, got the final out for his fourth save, retiring Gary Disarcina on a bouncer.

Jeff Juden (0-1), making his second start since the Angels acquired him from Milwaukee on Aug. 7, gave up five runs and seven hits in five innings. Juden, 0-6 in nine starts since June 26, struck out four and walked one.

Anaheim's Troy Glaus and Chris Pritchett hit their first major league homers. Glaus hit a two-run homer in the eighth and Pritchett added a solo shot in the ninth.

Toronto took a 4-0 lead in the fourth on consecutive singles by Shawn Green and Jose Canseco. Juden's run-scoring wild pitch and RBI singles by Jose Cruz Jr., Tony Fernandez and Darin Fletcher.

■ Griffey Ends Homer Drought
On Saturday, Ken Griffey ended a 12-game home run drought, his longest in more than a year, hitting his American League-leading 42d as the Seattle Mariners beat the White Sox, 13-7, in Chicago.

Griffey, who homered off Jaime Navarro in the first inning Saturday, had gone 54 at-bats since connecting July 30. He is second in the major league home run race, trailing Mark McGwire and Sammy Sosa, who both have 47.

Lewis Puts on an Exhibition As Ravens Blank N.Y. Jets

The Associated Press
JERMAINE Lewis touched the ball five times, but that was enough to produce 14 points and spark the Baltimore Ravens to a 33-0 rout of the New York Jets in an exhibition game in Giants Stadium.

Lewis ran back a punt 97 yards and caught a 31-yard touchdown pass Saturday as the Ravens improved to 2-0 in exhibition play. The Jets lost for the first time in a preseason game under coach Bill Parcells.

Redskins 27, Oilers 24 Stephen Davis scored on a 1-yard run with 2:38 left as Washington beat Tennessee in the Oilers' first game in Nashville. The game drew a crowd of 31,429 at Vanderbilt Stadium.

Vikings 34, Chiefs 9 In Minneapolis, Brad Johnson threw his first touchdown pass since a neck injury ended his season last December. Randall Cunningham added two more TD passes and the Vikings didn't allow Kansas City to cross midfield until the fourth quarter.

49ers 24, Seahawks 21 In Vancouver, British Columbia, John Becksvort hit a 31-yard field goal with two seconds left to push San Francisco past Seattle.

Chargers 41, Rams 27 In San Diego, Ryan Leaf, the Chargers' rookie quarterback, completed 13 of 22 passes for 200 yards and one TD. He also scored his first rushing TD and threw his first interception.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
New York	29	24	.545	0
Boston	28	25	.528	1
Toronto	24	29	.450	5
Chicago	23	30	.435	6

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	24	24	.500	0
Kansas City	24	24	.500	0
Chicago	24	24	.500	0
Minnesota	24	24	.500	0

WEST DIVISION

	W	L	Pct.	GB
Seattle	24	24	.500	0
Los Angeles	24	24	.500	0
Oakland	24	24	.500	0

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	31	41	.435	0
New York	29	24	.545	1
Philadelphia	28	25	.528	2
Montreal	24	29	.450	6

CENTRAL DIVISION

	W	L	Pct.	GB
Houston	29	24	.545	0
St. Louis	28	25	.528	1
Pittsburgh	24	29	.450	5
Cincinnati	24	29	.450	6

WEST DIVISION

	W	L	Pct.	GB
San Diego	24	24	.500	0
Los Angeles	24	24	.500	0
San Francisco	24	24	.500	0

PRELIMINARY LEAGUE STANDINGS

AMERICAN LEAGUE

	W	L	Pct.	GB
Seattle	100	80	.556	0
San Diego	98	82	.545	1
Los Angeles	97	83	.538	2
San Francisco	96	84	.530	3

NATIONAL LEAGUE

	W	L	Pct.	GB
San Diego	100	80	.556	0
Los Angeles	98	82	.545	1
San Francisco	97	83	.538	2
San Jose	96	84	.530	3

FOOTBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
New York	29	24	.545	0
Boston	28	25	.528	1
Toronto	24	29	.450	5
Chicago	23	30	.435	6

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	24	24	.500	0
Kansas City	24	24	.500	0
Chicago	24	24	.500	0
Minnesota	24	24	.500	0

WEST DIVISION

	W	L	Pct.	GB
Seattle	24	24	.500	0
Los Angeles	24	24	.500	0
Oakland	24	24	.500	0

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	31	41	.435	0
New York	29	24	.545	1
Philadelphia	28	25	.528	2
Montreal	24	29	.450	6

CENTRAL DIVISION

	W	L	Pct.	GB
Houston	29	24	.545	0
St. Louis	28	25	.528	1
Pittsburgh	24	29	.450	5
Cincinnati	24	29	.450	6

WEST DIVISION

	W	L	Pct.	GB
San Diego	24	24	.500	0
Los Angeles	24	24	.500	0
San Francisco	24	24	.500	0

PRELIMINARY LEAGUE STANDINGS

AMERICAN LEAGUE

	W	L	Pct.	GB
Seattle	100	80	.556	0
San Diego	98	82	.545	1
Los Angeles	97	83	.538	2
San Francisco	96	84	.530	3

NATIONAL LEAGUE

	W	L	Pct.	GB
San Diego	100	80	.556	0
Los Angeles	98	82	.545	1
San Francisco	97	83	.538	2
San Jose	96	84	.530	3

FOOTBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
New York	29	24	.545	0
Boston	28	25	.528	1
Toronto	24	29	.450	5
Chicago	23	30	.435	6

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	24	24	.500	0
Kansas City	24	24	.500	0
Chicago	24	24	.500	0
Minnesota	24	24	.500	0

WEST DIVISION

	W	L	Pct.	GB
Seattle	24	24	.500	0
Los Angeles	24	24	.500	0
Oakland	24	24	.500	0

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	31	41	.435	0
New York	29	24	.545	1
Philadelphia	28	25	.528	2
Montreal	24	29	.450	6

CENTRAL DIVISION

	W	L	Pct.	GB
Houston	29	24	.545	0
St. Louis	28	25	.528	1
Pittsburgh	24	29	.450	5
Cincinnati	24	29	.450	6

WEST DIVISION

Rank (6), Cornl	Patton	42	47	0	287	12
serg. W.-F.	Hiroshima	45	52	0	464	14½
	Hashiba	27	63	0	344	26

WORLD ROUNDUP

Surging Steinhauer Wins British Open

GOLF Sherri Steinhauer, who started the Women's British Open with a 9-over 81, won the championship Sunday with a final round of 69.

The American charged up the leaderboard at Lytham St. Annes to win the title by one stroke from her countrywoman Brandie Burton and Sophie Gustafson of Sweden. She totaled a 4-over par 292. Burton, who shot a 71 and Gustafson, who scored 70, finished at 292.

Janice Moodie, a U.S. Tour rookie from Scotland, who led by one stroke going into the final round, scored 75 to finish 6 over in fourth place.

Steinhauer, winner of one major, the 1992 Du Maurier Classic, gained only her third professional title and a check for £100,000 (\$165,000).

Se Ri Pak, winner of four tournaments including two majors in her rookie season on the U.S. Tour, finished at 20 over after a final round 77. (AP)

Van Bon Wins Classic

CYCLING Leon Van Bon held off the World Cup leader Michele Bartoli in a furious sprint Sunday to win the HEW Classic in Hamburg.

Van Bon, a Dutchman who rides for the TVM team, started the sprint, jumping to the front of a pack of 13 riders with 500 meters left to edge Bartoli, an Italian with Asics, in a time of six hours, nine minutes and 28 seconds.

Ludo Dierekyens was third on the flat 253 kilometer (152 mile) course that wound through Hamburg and favored sprinters such as Van Bon. (AP)

England Beats Sri Lanka

CRICKET Graeme Hick struck a powerful 86 from 97 balls Sunday as England beat Sri Lanka by 36 runs in a one-day triangular series match at Lord's in London. England was all out for 247 in its 50 overs before dismissing Sri Lanka for 211. Darren Gough and Peter Martin swung the match England's way with three wickets in the first five overs of Sri Lanka's innings. (Reuters)

Sampras in ATP Final

TENNIS Pete Sampras moved to within one victory of regaining the world No. 1 ranking, when he beat Magnus Larsson, 7-5, 2-6, 6-1, in the semifinals of the ATP Championship in Mason, Ohio.

Sampras struggled, losing his first set of the week, but bounced back with a break of Larsson in the second game of the third set.

In the final Sunday, Sampras faced Patrick Rafter, who beat Yevgeni Kafelnikov, 7-5, 6-0, in the other semifinal Saturday. (AP)

Schumacher's Unusual Tactics Give Ferrari Victory

The Associated Press
BUDAPEST — Michael Schumacher used a clever pit-stop strategy to win the Hungarian Grand Prix on Sunday and close the gap on Mika Hakkinen in the Formula One championship.

Schumacher made one more pit stop than the other drivers. That allowed him to carry less fuel and outrun his rivals.

He took the lead nearly two-thirds of the way through the 77-lap race, after all

HUNGARIAN GRAND PRIX

leading drivers had made their second pit stops. With less fuel to weigh it down, Schumacher's Ferrari gained more than a second a lap on the other cars. By the time Schumacher went in for his third pit stop, he was far ahead.

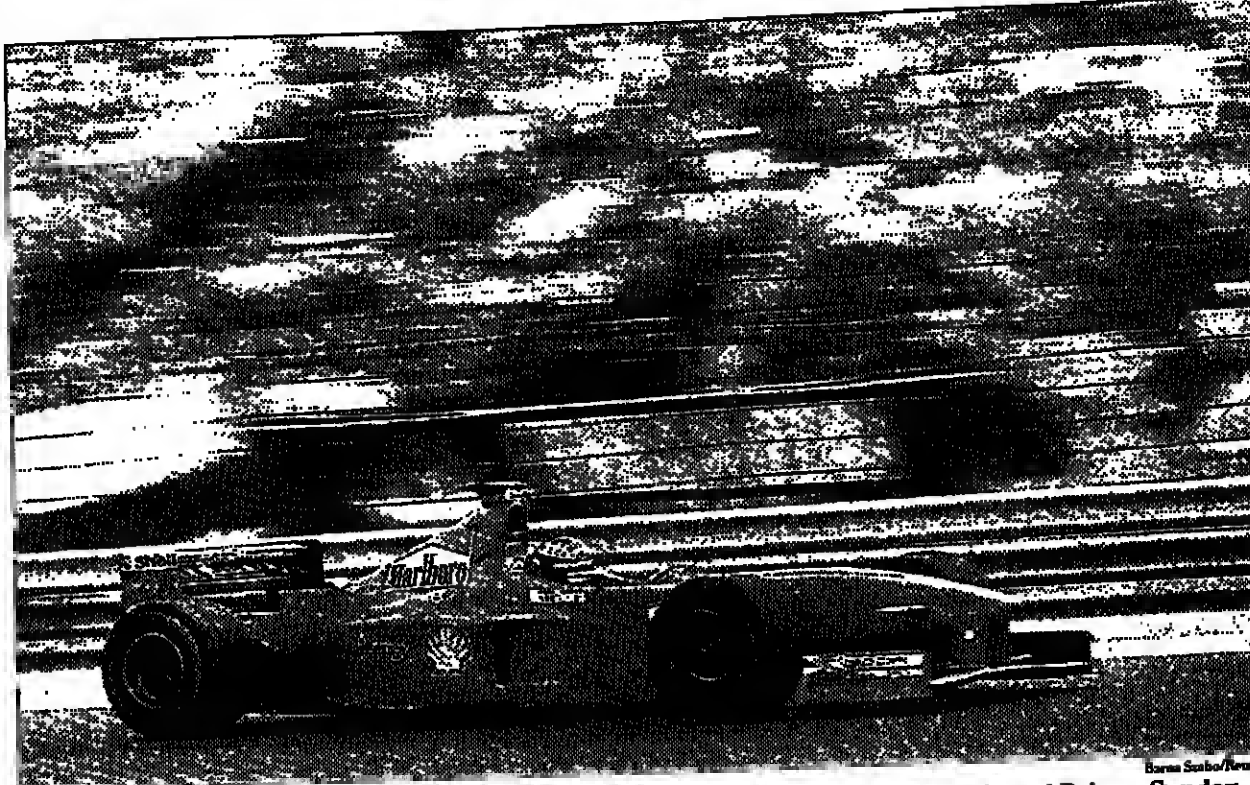
Schumacher's fifth victory of the season gave him 10 points and left him trailing Hakkinen by only seven points with four races left in the championship.

"It was one of the nicest victories I've had, it was outstanding," Schumacher said.

The German started from the second row on the grid, after qualifying third. He stayed third until the second round of pit stops was completed. He took the lead on lap 46 and never relinquished it.

Schumacher made another pit stop on lap 62 and still came out five seconds ahead of David Coulthard in a McLaren-Mercedes, who was second.

"It was a pretty difficult strategy. It didn't seem to be working at first," said Schumacher, who was fourth after his first pit stop.



Michael Schumacher of Germany in a Ferrari on his way to winning the Hungarian Grand Prix on Sunday.

"But it was a waiting game and after the second stop I had a clear run," he said. "I was pushing to the limit."

He was cheered by thousands of German and Ferrari fans blowing horns and setting off firecrackers.

Hakkinen, in a McLaren-Mercedes, started on the pole. Hakkinen and Coulthard quickly surged away from the field, opening a lead of almost two seconds after just three laps, and it increased when Hakkinen recorded a fast-

est lap on lap four. Schumacher made a quick pit stop on lap 43. He overtook Coulthard on the next lap when the Scot made a slow pit stop, and overtook Hakkinen on lap 46 after another slow McLaren-Mercedes pit stop. Schumach-

er, who was going flat out, surged away. He did briefly lose control of his car, slewing into the dirt, but he maintained his lead. Hakkinen began to suffer problems with his car and dropped back through the field. He finished sixth.

Coulthard was second, while Jacques Villeneuve, last year's winner in Hungary and Formula One champion, finished third for the second race in a row in a Williams.

The German completed the race distance of 305.844 kilometers (190.043 miles) in one hour, 45 minutes, 25.550 seconds, clocking an average speed of just over 174 kilometers per hour.

Coulthard was 9.6 seconds behind Schumacher, while Villeneuve was 44.4 seconds off the pace.

"It's quite remarkable to win on three stops," Coulthard said. "We are still in shock. It was pretty impressive."

Villeneuve said his power steering broke down after 10 laps.

"We've been driving with power steering for two years so it was pretty tough," the Canadian said.

Halfway into the race all the lights in the car started flashing. I asked the pit about it but they didn't answer so I thought it was better not to know what it was," Villeneuve said.

Former champion Damon Hill was fourth in a Jordan, while Heinz-Harald Frentzen was fifth in the second Williams.

Schumacher is trying to become the first Ferrari driver to win the championship since Jody Scheckter in 1979. Schumacher has won the title twice with other cars.

Stricker and Singh Race Ahead to 4-Shot Lead

By Leonard Shapiro
Washington Post Service

REDMOND, Washington — Steve Stricker and Vijay Singh, two men who have never won a major, pulled clear of the field in the third round of the PGA Championship.

Singh, a Fijian who has won five times on the U.S. PGA Tour, and Stricker, the Kemper Open champion, shared a four-shot advantage at the end of play Saturday.

In the past 10 years, the PGA has been won nine times by players who had never won a major. Among the eight players within five shots of the co-leaders, only Mark O'Meara, Steve Elkington, Davis Love III and Tiger Woods had major victories.

Singh had a wild ride, with two birdies and three bogeys on the front nine. But a run of four birdies in a five-hole stretch starting at the 11th hole and a stunning par save out of a fairway bunker at No. 12 allowed him to shoot 67 for a 7-under 203. Singh and Stricker will be paired in the final round Sunday.

"I'm thinking about winning the tournament, but you can't be too confident because you can also get complacent," said Singh, a workaholic on the driving range who is trying to become the first man from his country to win a major title. "All the hours of practice, you hope your time will be soon, you hope it's tomorrow. Here's my chance."

Stricker will have the same opportunity. Coming off a dismal 1997 season after a disastrous switch in clubs, he has righted himself in 1998 with seven top-10 finishes, five in his last seven events.

Saturday, with a bogey-free round and a remarkable par save at the 18th, he launched himself into the lead with a four-birdie, 4-under 66, calling

it "one of the best rounds I've played under the circumstances and the pressure."

At the 18th, with a slightly downhill lie and 224 yards from the green, Stricker hit a 3-wood to the right into the tall trees, and his ball came almost straight down. Because a spectator accidentally moved it, he was given a free drop. He then knocked a low line-drive sand wedge under branches, and his ball came to rest six feet from the cup. "The best shot I hit all day," he said. He made the putt to keep a share of the lead.

Asked about the decision to use the 3-wood, Stricker said: "I was trying to fly it on the green,

PGA CHAMPIONSHIP

and I felt more comfortable hitting a wood there than I did a 2-iron."

In June, Stricker played in the final round of the U.S. Open at Olympic with eventual champion Lee Janzen. Stricker shot 73 and finished tied for fifth and said he believes he can draw on that experience to help him deal with the pressure Sunday.

The co-leaders held a four-shot advantage over Love, the defending champion, who recovered after slipping to 1 over after six holes with a 69 to end on 207. The same total was posted by Elkington (69), the 1996 PGA champion, who has been plagued this year by injury and illness, and Billy Mayfair (67), still on a hot streak after winning last week at the PGA Tour event in Grand Blanc, Michigan.

Colin Montgomerie, another player looking for his first major victory, was a shot off the lead after 36 holes. A double bogey with a shot into the trees at the 444-yard No. 8 led to a round of 77, finishing

at 214, and leaving Europe's finest player out of contention once again.

O'Meara, who was on 208 after a third-round 69, believed he still had a decent chance to join Ben Hogan as the only men to win three professional majors in a season. He was only two shots off the lead going into the final round of both The Masters and British Open before rallying down the stretch to win.

"I'm gonna have to make some birdies," O'Meara said. "I think I have a reasonable shot at it. I'm proud of the way I've played this week."

It was a day of fabulous scoring conditions, with temperatures in the high 60s and an overnight drizzle softening greens. In the morning, Greg Kraft set a course record with a seven-birdie, two-bogey round of 65 for 209, and hometown hero Fred Couples shot a 67.

Kraft, six shots off the lead, had a simple explanation for why so many players without major championship credentials are in contention.

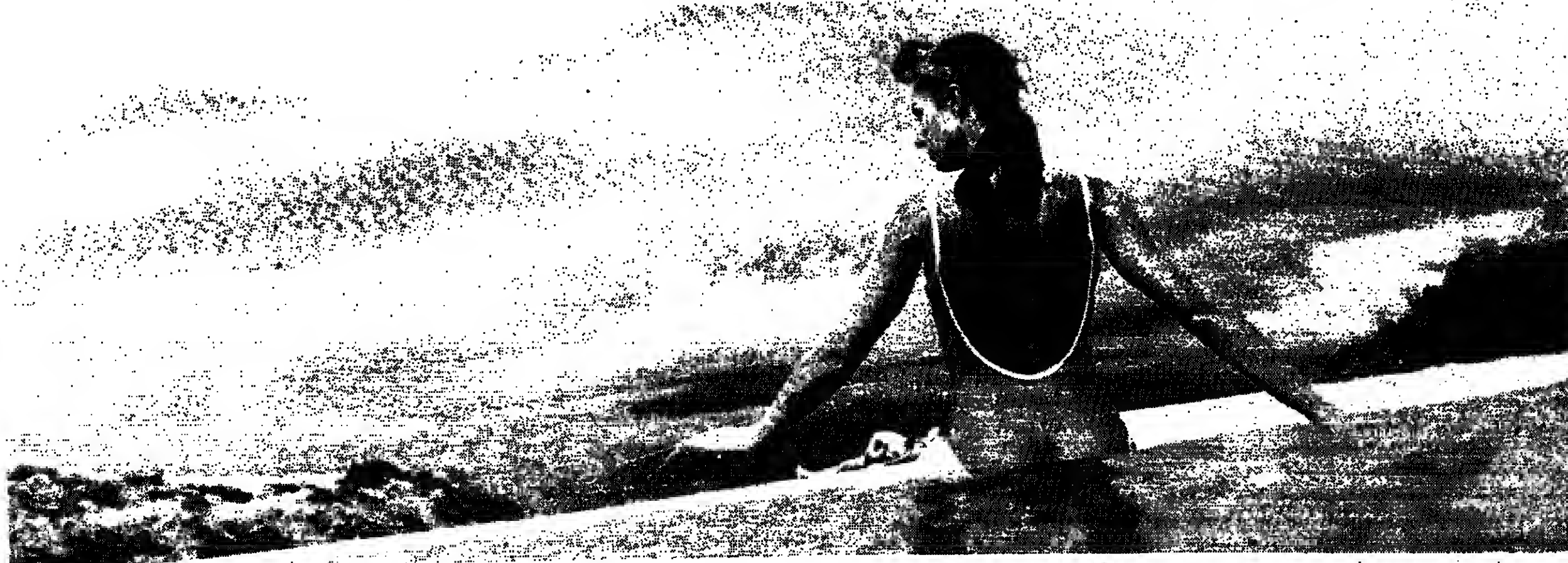
"This place does not put a premium on your driver," Kraft said. "A lot of guys here are ending up in the same place off the tee. Tiger Woods is playing the hole from the same place I am. It's just a different club that got us there."

Woods continued to keep his driver in his bag and got off to a splendid start with a birdie at the 406-yard first hole after a 15-foot putt from the fringe. But the first-round leader began heading in the wrong direction when he pulled a series of shots.

Despite his ball-striking problems, Woods continued to do magician's work all around the course, and a 25-foot birdie putt at the 417-yard 15th hole allowed him to finish with a 70 for 208.



Steve Stricker, joint leader after the 3d round, watching his shot hit the 18th green.

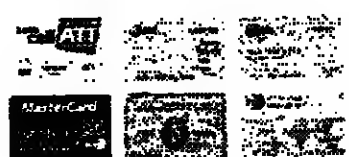


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